REDACTED

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER COMPANY'S APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO ACQUIRE RESOURCES TO BE ONLINE IN BOTH 2024 AND 2025 AND FOR APPROVAL OF AN ENERGY STORAGE AGREEMENT WITH KUNA BESS LLC.	)	CASE NO. IPC-E-23-20

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

ERIC HACKETT

REDACTED

Q. Please state your name and business address.

A. My name is Eric Hackett. My business address is 1221 West Idaho Street, Boise, Idaho 83702.

Q. By whom are you employed and in what capacity?

A. I am employed by Idaho Power Company ("Idaho Power" or "Company") as the Projects and Design Senior Manager.

Q. Please describe your educational background.

A. I graduated in 2003 from Boise State University, in Boise, Idaho, receiving a Bachelor of Science Degree in Civil Engineering. I am a registered professional engineer in the state of Idaho. In 2010, I earned a Master of Business Administration from Boise State University.

Q. Please describe your work experience with Idaho Power.

A. From 2005 to 2007, I was employed as an engineer in Idaho Power's Transmission Engineering group. In 2007, I became a Project Manager leading transmission and distribution line and station infrastructure projects. In 2012 I was promoted to Engineering Leader where I managed the Cost and Controls group supporting project management. In 2015, I changed leadership roles and managed the Stations Engineering and Design group as an Engineering Leader. In 2018, I was

promoted to Senior Manager of Projects overseeing Project Management and Cost and Controls, which later became my current role of Senior Manager of Projects and Design in 2021, adding Power Production Design and Project Management. In addition, I am currently leading a team of internal employees and consultants in development and evaluation of Idaho Power's Request for Proposals for Peak Capacity and Energy Resources.

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to provide an overview of the competitive resource acquisition process undertaken to meet Idaho Power's identified capacity deficiency in 2025. First, I will provide an overview of the Request for Proposals ("RFP") process used to evaluate the various resources that competed to provide a capacity resource to help meet Idaho Power's peak electric energy needs in 2025. I will then explain how the resulting least-cost, least-risk capacity resources were selected through the fair and competitive RFP process. Finally, I will discuss the addition of a least-cost, least-risk capacity resource necessary in 2024.

Q. Have you prepared any exhibits?

A. Yes. Exhibit No. 2 is Idaho Power's 2022 All Source Request for Proposals (RFP) for Peak Capacity and

Energy Resources issued on December 30, 2021 (“2022 RFP”). Exhibit No. 3 includes the Proposal Entry Form that details the information requested of respondents and necessary for Idaho Power’s qualitative and quantitative evaluation. Exhibit No. 4 details the Key Product Specifications required for project proposals submitted in response to the RFP. Confidential Exhibit No. 5 presents the results of the project submittals evaluation. Confidential Exhibit No. 6 is the agreement that supports one of the 2025 resource acquisitions.

I. THE DEVELOPMENT OF THE RFP

Q. Why did Idaho Power initiate a competitive request for proposals or RFP process to acquire the 2025 peak capacity and energy resources?

A. As explained in the direct testimony of Company witness Mr. Jared Ellsworth, in the spring of 2021, the Company first identified a capacity deficit beginning in 2023 following modifications to the load and resource balance being prepared as part of the Valmy Unit 2 exit analysis, as directed by Commission Order No. 34349. The capacity deficiencies subsequently increased during development of the 2021 Integrated Resource Plan (“IRP”) to 101 MW in 2023, 186 MW in 2024, and 311 MW in 2025. In order to meet its obligation to reliably serve customer load in a least-cost, least-risk manner, a competitive

solicitation for the acquisition of resources was conducted through an RFP.

The competitive RFP process allows the Company to access the broader peak capacity and energy market to obtain the best resources for Idaho Power's customers, allowing for access to a spectrum of potential resources and developers. Use of a formal RFP process provides customers and regulatory agencies with the assurance that the resource selection process was competitive, all potential developers had an equal opportunity to participate, and that the best resource alternative was selected.

Q. Did Idaho Power engage a third-party to assist the Company with the RFP and bid evaluation process?

A. Yes. On May 12, 2021, Idaho Power executed a contract with Black & Veatch Management Consulting, LLC ("Black & Veatch"), to receive full-service comprehensive owner's engineering and oversite services to coordinate resource procurement efforts pertaining to the RFP as well as the preparation and issuance of the RFP. In addition, the Company leveraged Black & Veatch's experience in designing and administering the RFP evaluation processes to assist Idaho Power.

Q. Was this the same third-party that assisted with the RFP process to acquire the 2023 peak capacity

resources subject to the Company's request in Case No. IPC-E-22-13?

A. Yes. The contract executed in May 2021 included the utilization of Black & Veatch's consulting expertise in developing the RFP requirements and requests, its exhibits and the issuance of both the 2021 All Source Request for Proposals (RFP) for Peak Capacity and Energy Resources issued on June 30, 2021 ("2021 RFP"), and the 2022 RFP.

Q. In Case No. IPC-E-23-05, the Company indicated the 2022 RFP was the process for which Idaho Power acquired 2024 resources. Was the 2022 RFP also the basis for the RFP process to acquire the 2025 peak capacity and energy resources?

A. Yes. As I will discuss in more detail later in my testimony, the purpose of the 2022 RFP was twofold, solicitation for electric energy and capacity to help meet both 2024 and 2025 capacity needs.

Q. What support did Black & Veatch provide for the RFP and bid evaluation process?

A. Black & Veatch provided scheduling, editing, process development, and the tools to conduct evaluations. Black & Veatch further assisted Idaho Power in the consolidation and integration of final evaluations prepared by Idaho Power subject matter experts, and overall

weighting of individual factors and key categories that influence both quantitative and qualitative evaluation. Finally, Black & Veatch administered the bid evaluation process, including proposal data processing, evaluation training, rating collection, score compilation, proposal ranking, and other necessary summary and reporting tasks. As part of this work, Black & Veatch supported responding to bidders' questions regarding the RFP content and Idaho Power evaluators' questions regarding evaluation processes, factors and criteria.

Q. What was the extent of Idaho Power personnel's involvement in the development of the RFP and the bid evaluation process?

A. Upon recognizing the urgency of the Company's capacity deficits in the near term, Idaho Power assembled an interdisciplinary team to develop and process the RFPs ("RFP evaluation team"). Black & Veatch was engaged to assist the RFP evaluation team, providing guidance and support of the RFP process. The RFP evaluation team, in consultation with Black & Veatch, developed detailed criteria and a methodology for evaluating both price and qualitative attributes of a proposed resource including the 57 factors which were identified in Exhibits A and B to the RFP, and required submittal by respondents through completion of the Proposal Entry Form. The Proposal Entry

Form, included as Exhibit No. 3, is Excel based and identified the applicable inputs under the differing product types once selected from the Resource Type drop down menu. Subject matter experts within the RFP evaluation team, as well as independent subject matter experts within Idaho Power, were assigned those specific evaluation factors and criteria related to their knowledge of the factor subject matter.

Q. How was the detailed criteria and a methodology for evaluating both price and qualitative criteria determined?

A. The RFP evaluation team utilized knowledge gained during evaluation of the 2021 RFP responses, with continued reliance on Black & Veatch's consultation and experience, and expanded upon those factors necessary for a robust evaluation of the projects submitted. The team identified the breadth and depth of the evaluations needed to support decision-making for large power supply commitments. Quantitative analysis was performed through production cost simulation and other costing tools to forecast the capital and operating cost impacts of the proposal over a future term. The evaluation of qualitative aspects included rating by subject matter experts the detailed qualitative factors that comprise the general categories of Project Feasibility, Project Capability,

Counterparty Profile, and Community Stewardship.

Q. Did the Company notify the public of the intent to issue a formal RFP?

A. Yes. On December 10, 2021, Idaho Power released a public Notice of Intent to industry developers and media outlets noticing the Company's intent to release the RFP, which was also posted on Idaho Power's website. The Notice of Intent, which identified the forecasted summer peak capacity needs at the time of approximately 85 MW in 2024 and an incremental 125 MW in 2025, was also directly emailed to approximately 70 developers, comprised of developers currently in the Company's Generation Interconnection Queue as well as developers with whom Idaho Power had communicated during the 2021 RFP process.

Q. When were developer responses due?

A. Interested developers responded with an Intent to Bid by December 23, 2021. During the RFP solicitation, Idaho Power received three questions from developers and responded accordingly. Ultimately, 41 developers responded to the Notice of Intent identifying approximately 52 separate potential proposals and requesting to receive the RFP directly when released.

II. THE REQUEST FOR PROPOSALS

Q. Please describe the issuance of the RFP.

A. On December 30, 2021, the RFP evaluation team

issued a formal request for competitive proposals for the acquisition of electric energy and capacity delivered from electric resources that employ certain qualifying technologies under varying ownership arrangements to help meet both the 2024 and 2025 capacity needs and required commercial operation by June 2024, and June 2025, respectively. The RFP, included as Exhibit No. 2 to my testimony, set forth the process and procedure utilized to solicit and evaluate the proposals.

The RFP solicitation identified the purpose, key product specifications, electric interconnection requirements, proposal format, qualitative and quantitative evaluation criteria, technical specifications, and additional requirements necessary to submit a qualifying proposal. The submittal requirements provided the key information to assess both price and non-price attributes. Most importantly, with respect to the 2025 capacity need, the RFP solicitation focused on the importance of having a project in-service by June 2025 to meet Idaho Power's incremental capacity need. The RFP was sent directly to the 41 developers, through the Zycus portal, who responded to the Notice of Intent.

Q. Please describe the products solicited through the RFP.

A. The products solicited through the RFP were

renewables, such as solar photovoltaic ("PV"), wind or geothermal, energy storage projects, and renewables plus energy storage projects. In addition, the Company identified gas-fired resources that are convertible to hydrogen and demand response resources as eligible products. Idaho Power also accepted other products if they met the functionality criteria outlined in the RFP. Exhibit No. 4 to my testimony includes the key product specifications for each of the eligible products, including the ownership structure, term, first delivery date, resource status, design life, capacity requirement, interconnection options, delivery point, storage duration and cycles, and pricing, as outlined in the RFP.

Q. Were any revisions made to the products for which Idaho Power solicited in the 2022 RFP?

A. No. However, on April 13, 2022, the Company notified all prospective respondents of an addendum to the product table which was revised to clarify that respondents had the opportunity to submit proposals for a respondent-owned battery energy storage resource type with a subsequent Battery Storage Agreement product type ("Addendum No. 8"). This was in addition to the battery energy storage resource type with a subsequent Build Transfer Agreement product type with Idaho Power ownership

as initially identified in the product table. Column 10.a of Table 3 – Storage Products in the Key Product Specification Tables included as Exhibit No. 4 reflects the clarification.

Q. Were the same products solicited for both 2024 and 2025?

A. Yes. The products solicited through the RFP, and key product specifications identified in Exhibit No. 4, were applicable to resources for both 2024 and 2025.

Q. The Company's capacity deficiencies have continually been identified as first occurring in summer. Did Idaho Power's RFP consider the timing of the resource availability when recommending accepted products?

A. Yes. The Company indicated in the RFP that respondents were encouraged to configure resources to maximize energy delivered during hours that are most valuable to Idaho Power. Exhibit D to the 2022 RFP provided as Exhibit No. 2 included information related to the most valuable hours. In addition, respondents were advised to review the Effective Load Carrying Capability ("ELCC") factors that the Company had forecasted consistent with the 2021 IRP for various resource types as identified in Exhibit N to the 2022 RFP, as the data was to be used to discount the capacity proposed by respondents during the

quantitative evaluation process.

Q. Were potential respondents informed of the evaluation process used by the Company?

A. Yes. Section 7 of the 2022 RFP discussed the evaluation process Idaho Power used to rank proposals received. In addition, as I discussed earlier, the Proposal Entry Form, included as Exhibit No. 3 to my testimony, detailed the information required for submittal to enable Idaho Power's qualitative and quantitative evaluation of the projects.

Q. Did the Company perform any additional outreach to potential respondents regarding the RFP?

A. Yes. Idaho Power prepared a pre-bid presentation and, on January 20, 2022, made the recording available to all prospective respondents via the Zycus portal. The presentation identified both the 2024 and 2025 capacity deficits, detailed product requirements, interconnection, an evaluation process flowchart, bid fees, and a portal overview for respondents.

Q. In Case No. IPC-E-22-13, *In the Matter of Idaho Power Company's Application for a CPCN to Acquire Resources to be Online by 2023 to Secure Adequate and Reliable Service to its Customers*, the Commission issued Order No. 35643 detailing its concerns regarding the

robustness of the 2023 resource RFP process. Do you believe that the RFP process applied to acquire the resources at issue in this case adequately addresses the Commission's concerns?

A. Yes. In Order No. 35643, the Commission expressed concern that the RFP process applied to acquire resources for 2023 was overly restrictive.[1] The 2022 RFP process utilized to acquire resources for 2024 and 2025 did not restrict bids based on resource type or ownership structure. That is, the RFP allowed bids for all commercially viable resource types as well as third-party ownership of those resources.

III. EVALUATION OF THE RESPONDENT PROPOSALS

Q. When were responses to the RFP due?

A. Original respondent proposals for 2025 resource additions were due to Idaho Power via the Zycus portal on March 10, 2022, and June 16, 2022, following Addendum No. 8.

Q. How many proposals were received for consideration as a 2025 resource addition?

A. Idaho Power received 36 proposals from 14 different developers spanning a variety of product types, including one benchmark resource from the Company's Power

[1] Pgs. 12-13.

Supply department. The 36 proposals were made up of 45 different projects as some of the proposals were merely contract and pricing structure variations of the same resource type.

Q. Were the Idaho Power personnel that submitted the benchmark resource part of the RFP evaluation team?

A. No. Idaho Power maintains a Separation of Functions Protocol ("Protocols") for resource procurement efforts that requires independent functioning of the RFP evaluation team members and the Power Supply personnel who submit benchmark resource proposals ("Internal Team"). The Protocols detail the separation of duties including the prohibition of sharing non-public information related to the competitive bidding procedures for the procurement of generation resources between the RFP evaluation team and the Internal Team.

Q. Did all 36 proposals meet the criteria of the RFP?

A. Yes. Commencement of the evaluation process begins with a threshold screen to identify and remove proposals that are incomplete or do not comply with the basic requirements of the solicitation. Any proposals that were a material only proposal, proposals that offered procurement of material only but did not offer the construction of the resource, and those that did not meet

the June 2025 online date were screened during the threshold screen as not meeting the solicitation criteria. All 45 projects (36 proposals) were moved forward in the evaluation process for qualitative and quantitative evaluation and ranking.

Initial Screen

Q. Please provide an overview of the qualitative and quantitative evaluation and ranking process.

A. Confidential Exhibit No. 5 presents the evaluation process of the project submittals that remained following the threshold screen. Each proposal is identified as Project No. 1 through 36 in Table 1 of the exhibit. Once the threshold screen was completed, the qualitative and quantitative evaluations, which I will explain in more detail, were performed iteratively. The qualitative evaluation ranked the proposals based on project feasibility, project capability, counterparty profile, and community stewardship, with each category weighted to ensure the evaluation process is conducted without bias and yields results that are aligned to Idaho Power's resource needs. The quantitative evaluation ranked the proposals by cost.

Qualitative Evaluation

Q. When did evaluation of the proposals begin?

A. Idaho Power began qualitative evaluation of

the 36 proposals in July 2022 using the objective scoring methodology to reasonably evaluate the attributes of each bid.

Q. Did evaluation of the 36 proposals applicable to resources for 2025 occur simultaneous to evaluation of the project submittals applicable to resources for 2024?

A. Yes. Evaluation of all proposals submitted under the 2022 RFP commenced at the same time. However, as I will discuss later in my testimony, evaluation and selection of the 2024 resources was the most time sensitive and therefore was prioritized over the completion of the evaluation and selection of the 2025 resources. The qualitative evaluation used the 57 unique factors mentioned earlier in my testimony for scoring, for which the rating criteria of each factor was determined before proposals were received and not changed thereafter. The Idaho Power subject matter expert performing the qualitative evaluation of all eligible proposals performed their respective evaluation independent of price inputs.

Q. What is meant by reasonably evaluate?

A. With respect to qualitative evaluation, reasonably evaluate refers to the method of allowing qualitative evaluators to independently utilize their subject matter expertise while being constrained to follow the rating criteria guidance and be subject to calibration.

The result is a reasonable balance between individual expertise and group consensus yielding reasonable evaluation results.

Q. Why would the subject matter experts perform the qualitative evaluation independent of the quantitative evaluation?

A. The independent qualitative evaluation of all project submittals by subject matter experts ensures avoidance of a situation in which the qualitative evaluator becomes biased for or against a particular proposal due to its evaluated cost. Instead, the quantitative production cost model analysis was performed after the qualitative evaluation.

Q. Once the qualitative evaluations were completed by the subject matter experts, was this scoring used to exclusively select the winning proposals?

A. No. Upon completion of the qualitative evaluation of the project submittals, the scores were reviewed to ensure consistent application of scores and rating criteria. The Company believes this internal evaluation with prescribed criteria serves the objective of identifying proposals that fit the needs specified in the RFP.

Quantitative Evaluation

Q. Please describe the quantitative production

cost model analysis that is performed after the qualitative evaluation.

A. The qualitative evaluation allows for the relative ranking of the eligible project submittals to better identify those projects that best meet the Company's resource needs. To further refine those projects that would move to the short list, the RFP evaluation team performed a quantitative evaluation comparing the relative price components through indicative AURORA scenarios, which allowed for the use of a consistent common evaluation tool with consistent common assumptions in that tool, for reasonable evaluation results. Using the most recent load forecast at the time, the RFP evaluation team used AURORA's LTCE modeling capability to develop the least-cost, least-risk portfolio for meeting the 2025 capacity deficiency. Under the LTCE modeling approach, the levelized costs of all 45 project submittals are input into AURORA as potential resource additions, along with their project specific operating characteristics and any potential variable costs. The LTCE model optimizes these potential resource selections based on the performance of each resource within Idaho Power's zone, optimizing for the cost function while meeting the Company's identified capacity deficiency.

Q. How is the levelized cost determined?

A. The levelized cost is the conversion of all fixed costs associated with the separate technologies of each project, including capital costs, depreciation/amortization expense, tax expense, financing costs including the return on Company-owned assets, the imputed debt cost associated with a PPA, or interest expense associated with tolling agreements, fixed operations and maintenance expenses, and property taxes and insurance, to an equivalent, comparable value. Because the resources have varying economic lives, the annual depreciation of capital costs is based on apportioning the capital costs over the entire economic life. The costs are expressed in terms of a cost per kilowatt-month ("kW-month") of nameplate capacity and are presented in each table on Confidential Exhibit No. 5.

Q. Please explain imputed debt costs associated with a PPA.

A. Idaho Power competes with other companies in the capital markets, to obtain debt and equity financing necessary to operate its business and fund capital projects. In seeking to access capital, one of the major factors banks, investors, investment analysts, and lenders consider is the Company's overall financial profile, including the strength of its balance sheet. Credit rating agencies assess the financial strength of Idaho Power and

provide ratings that act as a barometer to balance sheet strength among other things. While agencies may look at imputed debt differently, they evaluate future contractual obligations related to long-term PPAs as they consider future debt obligations of issuers during their ongoing monitoring of credit quality.

That imputation is understandable as the third-party supplier is ultimately leveraging Idaho Power's balance sheet to develop its project, by using the PPA and underlying long-term debt-like obligation and payment stream from the Company as collateral, while at the same time diminishing Idaho Power's credit profile and financial strength. Credit rating agencies account for this transferred risk as a fixed debt obligation of the utility and impute this risk to the utility's balance sheet, costs that are ultimately borne by customers through higher costs of capital. When determining the levelized cost of PPAs, Idaho Power adds the imputed debt as a financing cost associated with the project.

Q. The Inflation Reduction Act of 2022 ("2022 IRA") was signed into law on August 16, 2022. Were developers given the opportunity to update pricing information that incorporated impacts of the 2022 IRA?

A. Yes. The 2022 IRA provides for, among other things, numerous renewable energy tax credits, for example

extension of the current investment tax credits (“ITC”) and production tax credits (“PTC”), a new ITC for standalone energy storage, application of the PTC to solar, transition to a technology-neutral ITC and PTC after 2024. The 2022 IRA modifies the calculation of most of the energy tax credits by introducing the concept of a “base credit” (e.g., 6 percent ITC) and a “bonus credit” (e.g., an additional 24 percent ITC) if certain wage and apprenticeship requirements are met in the construction and ongoing maintenance of the renewable energy facilities. All of these factors had the potential to lower proposal pricing and the resulting levelized cost. The Company gave developers the opportunity to update pricing again to incorporate any impacts associated with the 2022 IRA. Because the quantitative evaluation process had not yet begun at the time the 2022 IRA was signed into law, the levelized costs presented in Table 1 of Confidential Exhibit No. 5 and used to develop the short list, include any pricing updates from developers resulting from the 2022 IRA.

Q. You indicated evaluation of all proposals submitted under the 2022 RFP commenced at the same time. Were resources for both 2024 and 2025 evaluated as part of the LTCE modeling analysis?

A. Yes, the initial LTCE modeling analysis

evaluated the potential resource selections for both 2024 and 2025 as the most cost-effective 2024 resources had not yet been identified. In addition, inclusion of both 2024 and 2025 resources allowed for any interplay between the resources selected in each year to be accounted for in the LTCE modeling, optimizing the cost effectiveness while also meeting the Company's identified capacity deficiencies.

Q. What were the results of the evaluation process?

A. The result of the initial screen, the combined qualitative and quantitative evaluation, created a short list of proposals that were moved forward in the evaluation process. Idaho Power notified those projects that did not progress to the short list in October 2022.

Short List

Q. What were the resulting short list proposals?

A. Eight project proposals made the short list, Project Nos. 1, 6, 7, 13, 15, 16, 17, and 31, and are presented in Table 3 of Confidential Exhibit No. 5.

Q. Please describe the elimination of the 28 projects from the initial short list.

A. As I explained earlier, the qualitative evaluation allowed for the relative ranking of the projects to better identify those projects that best meet the Company's resource needs. To further refine those projects

that would move to the short list, an initial LTCE modeling analysis was performed to develop the least-cost, least-risk portfolio for meeting the 2025 capacity deficiency. The indicative AURORA modeling scenarios consistently selected Project Nos. 31 and 15 as the resource additions resulting in a least-cost, least-risk portfolio for meeting the identified 2025 capacity deficiency. To ensure a robust short list for negotiating best and final offers and to begin contract negotiations, and considering the need to meet the increasing 2025 capacity deficiency, Idaho Power also selected Project Nos. 1, 6, 7, 13, 16, and 17, the next most cost-effective projects to move forward to the short list as well.

Q. Was the initial LTCE analysis the only screen performed to create the short list?

A. No. However, it was the primary screen, impacting 27 of the 28 projects that did not move forward to the short list. The remaining project, Project No. 34, did not have any available transmission capacity and therefore did not make the short list. Similarly, although modeled as part of the LTCE analysis, it was determined that Project Nos. 2, 3, 4, 5 and 33 also did not have any available transmission capacity, and Project Nos. 25, 26, and 27 were not cost-effective options because of the limited capacity benefit of the energy storage or surplus

only availability of the energy storage.

Q. How did the surplus only availability of the energy storage limit the capacity benefit?

A. Project Nos. 25, 26, and 27 were submitted into the RFP as “Surplus Interconnection Service” projects as defined by FERC Order No. 845, a form of interconnection service that allows a new interconnection customer to use excess or unused interconnection service capacity associated with an existing resource. As these capacity resources were in addition to existing facilities already contemplated as resources available to Idaho Power, the benefit of the capacity resource was limited to the existing interconnection limit. In the case of Project Nos. 25, 26, and 27, which were Surplus Interconnection Service submittals adjacent to existing hydro-electric projects, the benefit offered did not exist in the summer months when the hydro-electric projects typically do not have any latent interconnection capacity available, therefore the reduced surplus availability prevented selection of Project Nos. 25, 26, and 27 through the LTCE modeling process.

Q. Once the final short list was established, what was the next step of the evaluation process?

A. Following establishment of the short list, the RFP evaluation team provided another opportunity for

developers to update and clarify their pricing information, to provide developers the opportunity to adjust project pricing for any potential changes. Five of the shortlist projects listed in Table 3 of Confidential Exhibit No. 5 provided updated pricing, four of which provided increased pricing indicating continued supply chain issues and inflationary pressures on material and labor costs, and one provided updated pricing that had decreased. In addition, it was at this time that the developer of Project No. 6 notified the RFP evaluation team that they were unable to meet a June 2025 commercial operation date and therefore were no longer eligible for evaluation.

Q. Did the RFP evaluation team refresh the quantitative evaluation with the revised levelized costs for the seven remaining final short list projects?

A. Yes. Using the updated levelized cost inputs in AURORA, the LTCE analysis was performed again for Project Nos. 1, 7, 13, 15, 16, 17 and 31.

Q. You indicated the levelized cost calculation included the cost of imputed debt. Did the inclusion of imputed debt impact Idaho Power’s selection of a resource?

A. No. The inclusion of imputed debt did not change the selection of the most cost-effective resource. Project No. 31 was the most cost-effective resource for meeting the 2025 capacity deficiency with or without the

inclusion of imputed debt in the levelized cost calculation.

Q. Will Project No. 31 be sufficient to meet Idaho Power's capacity need in 2025?

A. No. While Project No. 31 was consistently selected as the most cost-effective resource for meeting the 2025 capacity deficiency as part of the initial LTCE analysis and again for the LTCE analysis performed with the short list projects, at the time the LTCE analysis was performed for the short list projects, the 2025 capacity need had increased. As detailed in the direct testimony of Mr. Ellsworth, the Company's capacity position remains very fluid during the near-term resource decision-making phase, driven in part by continued high load growth. To account for the increased 2025 capacity deficiency, Idaho Power also selected the next most cost-effective resource, Project No. 15, to meet the 2025 capacity deficiency. The combination of Project No. 31 and Project No. 15 were sufficient to meet Idaho Power's capacity need in 2025.

IV. PROJECTS NECESSARY TO FILL 2025 CAPACITY DEFIENCY

Q. Please describe Project Nos. 31 and 15.

A. Project No. 31 envisioned a 150 MW energy storage facility either (1) under a build-transfer agreement, becoming an Idaho Power-owned battery storage facility, or (2) under a 20-year battery storage agreement

("BSA"), supplying capacity from the battery storage facility to Idaho Power. The 150 MW BSA was the most cost-effective of the two alternatives. The next most cost-effective resource, Project No. 15, the benchmark resource, is an Idaho Power-owned battery storage facility of up to 150 MW.

Energy Supply Agreement

Q. You indicated Project No. 31 consists of a 20-year BSA associated with a 150 MW battery storage facility. Has the Company executed the agreement related to the BSA?

A. Yes. On April 26, 2023, Idaho Power and Kuna BESS LLC ("Kuna BESS") executed a 20-year Energy Storage Agreement ("ESA"). Under the terms of the ESA, Kuna BESS will develop, design, construct, own, and operate a battery energy storage system located in Kuna, Idaho, supplying 150 MWs of capacity on Idaho Power's system. An executed copy of the ESA is included as Confidential Exhibit No. 6 to my testimony.

Q. Please provide an overview of the ESA between Idaho Power and Kuna BESS.

A. The ESA is a slightly different kind of agreement than those which the Company has previously presented to the Commission for review and approval. The ESA is sometimes referred to in the industry as a "tolling" agreement. As explained in Mr. Tatum's Direct Testimony,

the ESA acts as a type of lease whereby Kuna BESS will develop, design, construct, own, and operate the battery storage system and, in accordance with the terms of the agreement, Idaho Power will supply the charging energy for the system and has the exclusive right to dispatch and use the charging and discharging energy in exchange for a monthly payment.

The ESA contains fixed, monthly capacity pricing, with no annual escalation, throughout the term of the agreement. The Contract Price is set forth in Article I of the ESA. The terms of the ESA, including pricing, security, and other terms of service, are generally consistent with industry standard terms included in other of the Company's Commission-approved procurements and energy sales agreements.

Q. Does the ESA provide for any assurances or guarantees related to the commercial operation date of June 1, 2025, and ongoing operation of the battery storage facility?

A. Yes. Under Section 3.6, the ESA provides for a Guaranteed Commercial Operation Date, which is 180 days after the Scheduled Commercial Operation Date of June 1, 2025. Article VIII of the ESA contains provisions requiring the Seller to post and maintain Credit Support. Within 30 days of a final order of the Commission approving the ESA,

Credit Support in the amount of $[redacted] must be posted and will remain in place to ensure the project meets its Commercial Operation Date, after which the required Credit Support reduces to $[redacted] and will be maintained for 12 months following termination or expiration of the 20-year term of the ESA. Credit Support secures payment of the Termination Payment for an Event of Default by Seller, Delay Damages for Seller's failure to achieve Commercial Operation Date by the Expected Commercial Operation Date, and any other Seller liabilities under the ESA.

Q. Does the ESA contain any performance guarantees?

A. Yes. Section 1.1 of the ESA contains a Guaranteed Round-Trip Efficiency as of the Commercial Operation Date of 85.9 percent which decreases 0.22 percent annually. If the Round-Trip Efficiency is less than the Guaranteed Round-Trip Efficiency, Section 2.3 of the ESA includes a Round-Trip Efficiency Adjustment that reduces the Monthly Capacity Payment. Section 1.1 of the ESA contains a Guaranteed Project Response Time of 4.0 seconds and section 2.4 of the ESA includes a liquidated damage of $1,000 upon each instance where the Project does not achieve the Guaranteed Project Response Time.

In addition, Section 5.2 of the ESA contains a

performance requirement in the form of an Availability Guarantee. The Availability Guarantee, detailed in Annex C to the ESA, requires Seller to achieve an Equivalent Availability of at least 97.5 percent during the Summer Availability Period and at least 95.0 percent during the Non-Summer Availability Period. If the project delivers less than the Availability Guarantee during any Measurement Period, Seller must pay Guaranteed Availability Liquidated Damages based on the prorated portion of the difference between the Equivalent Availability and the Guaranteed Availability. In addition, Article V of the ESA contains operational and control provisions including, without limitation, dispatch, charging requirements, communications, automatic generation control, maintenance and maintenance outages.

Q. When will the ESA become effective?

A. Section 3.1 provides that the ESA only becomes effective upon Commission approval of all of the terms and provisions of the ESA as well as the accounting and regulatory treatment requested by the Company, and declaration that all payments the Company makes to Seller for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes; provided that, if Commission approval does not occur by November 26, 2023, the Company has the option to waive Commission approval as

a condition to the ESA becoming effective. If Commission approval, or the Company's waiver of such condition, has not occurred by May 26, 2024, Seller may terminate the ESA and, except with respect to those provisions that expressly survive termination, neither the Company nor Seller shall have any obligations under the ESA.

Battery Storage Facility

Q. Has Idaho Power executed an agreement for the Idaho Power-owned battery storage facility of up to 150 MW?

A. No. Because Project No. 15 is a benchmark resource, an agreement associated with the purchase of the Battery Energy Storage System ("BESS") that details the construction, operation and maintenance of the system, such as a build-transfer agreement, is not necessary. Rather, the Company will initiate a purchase order with a battery supplier and enter into a contract specific to the delivery and contract price of the BESS. Upon notification of selection by the RFP evaluation team, the Company's Power Supply department began discussions with suppliers for procurement of the BESS but has not yet executed a purchase order.

Q. You indicated Project No. 15 is an Idaho Power-owned battery storage facility of up to 150 MW. What size BESS is the Company proposing to procure?

A. At the time Idaho Power's Power Supply

department was notified of a successful bid, the Company's 2025 capacity deficiency had grown. A 77 MW BESS is required to move into a capacity-length position as discussed in more detail in the direct testimony of Mr. Ellsworth. The Idaho Power-owned 77 MW battery storage will be located in Nampa, Idaho, at the existing Happy Valley station. The project submittal identified three sites at which the BESS could be located. The RFP evaluation team assessed the three sites and recommended Happy Valley station as it had an executed Large Generator Interconnection Agreement.

Q. Will there be any additional contracts required for the energy storage project?

A. Yes. Idaho Power will also enter into a Long-Term Services Agreement for O&M services performed for the energy storage project following commercial operation of the project, similar to the battery storage resources to be in-service in 2023 and 2024.

Q. Idaho Power's request in this case is for a CPCN for 101 MW of battery storage resources. Please reconcile the difference between the 77 MW of battery storage resulting from the Idaho Power-owned battery storage project at the Happy Valley station and the 101 MW of battery storage for which the Company is requesting a CPCN.

A. As I mentioned earlier, and as discussed in detail in the direct testimony of Mr. Ellsworth, the Company's load and resource balance remains very fluid during the near-term resource decision making phase, driven in part by continued high load growth. During preparation of the 2023 IRP, as the load and resource balance was refreshed, it was determined that, even with the addition of the combined 100 MW solar PV facility and 60 MW energy storage facility and the 12 MW of battery storage at the Hemingway substation in 2024, a capacity shortfall still exists in 2024 that will be addressed with 24 WM of additional battery storage at the Hemingway substation.

Q. How is the Company proposing to meet this additional need identified in 2024?

A. As discussed in Case No. IPC-E-23-05 currently pending with the Commission, Idaho Power's identified capacity need in 2024 was 103 MW and, in response to the resource need, the Company executed a 100 MW solar PV PPA and agreements to procure 72 MW of four-hour duration battery storage resources to satisfy that identified capacity need. Idaho Power is proposing to procure an additional 24 MW of battery storage resources to be located at the Hemingway substation, the location of the 80 MW energy storage project currently being installed to be in service in 2023.

Q. Why is the Company proposing procurement of an additional 24 MW of battery storage at Hemingway?

A. Idaho Power is proposing to procure an additional 24 MW of battery storage to add to the Hemingway substation energy storage project because the project was the next most cost-effective resource addition identified during evaluation of the 2024 project submittals to the 2022 RFP. The project, the second of the benchmark resources submitted for evaluation in 2024, envisioned a 52 MW BESS at Hemingway. Upon discovery of the additional capacity need, the RFP evaluation team contacted Idaho Power's Power Supply department to inquire about the viability of the project in light of the delayed notification of need. Through discussions with the project submittal contact, it was determined Idaho Power could economically and efficiently add 24 MW of battery storage at the Hemingway substation, the site for which 80 MW of battery storage is being installed to meet the 2023 capacity deficiency and 12 MW of battery storage is being installed to meet the previously identified 2024 capacity deficiency.

Q. Has the Company entered into a contract for the 24 MW of battery storage to be located at the Hemingway site?

A. No. Idaho Power's intent is to execute a

Battery Energy Supply Agreement for the 24 MW BESS with Powin Energy Corporation ("Powin"), similar to previous agreements executed with Powin. The Company has contacted Powin to confirm availability and has received indication the additional 24 MW of battery storage is feasible.

Q. Idaho Power indicated in the Application the Company is not requesting binding ratemaking treatment for investments in the 101 MW battery storage facilities in this case. Does the Company have an estimate of the costs associated with the energy storage projects?

A. Yes. Although a contract has not been executed for the 77 MW Happy Valley BESS or for the 24 MW Hemingway BESS, Idaho Power estimates project costs of $[redacted] and $[redacted], respectively.

Q. Does Idaho Power believe the procurement process has determined the least-cost, least-risk resources to meet the identified capacity deficiencies?

A. Yes. With respect to the 2025 capacity deficiency, through the fair and competitive 2022 RFP process, Idaho Power received 36 different proposals, comprising 45 eligible project submittals, from 14 developers as potential projects for meeting the 2025 capacity deficiency. The RFP did not restrict ownership structure or resources. Through qualitative and quantitative evaluations, the RFP evaluation team narrowed

the project submittals to a short list, and ultimately the identification of a combination of two projects that resulted in the acquisition of least-cost, least-risk resources.

To meet the additional 2024 capacity deficiency, the Company used the results from the same fair and competitive 2022 RFP process, selecting the next most cost-effective project identified as part of the qualitative and quantitative evaluation performed with the 2024 project submittals. The two 2025 projects, and the additional 2024 project, are necessary and required to timely meet the Company's resource needs and continue to provide reliable and adequate service to Idaho Power's customers starting in the summer of 2024 and into the future.

V. CONCLUSION

Q. Please summarize your testimony.

A. Idaho Power initiated a competitive RFP process to provide capacity resources to help meet the Company's peak electric energy needs in 2025, including an objective scoring methodology used to reasonably evaluate various competing resources. The capacity resources selected through the fair and competitive procurement process resulted in a 150 MW energy storage project, consisting of a 20-year ESA for a 150 MW battery storage facility and 77 MW of Idaho Power-owned battery storage at

Happy Valley station. In addition, the fluid load and resource balance identified an additional need for capacity in 2024, requiring the additional 24 MW of Idaho Power-owned battery storage at Hemingway, which was also procured through the Company's robust competitive bidding process. The combined projects provide for the least-cost and least-risk resources necessary for meeting both the 2024 and 2025 capacity deficiencies.

Q. Does this conclude your testimony?

A. Yes.

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REDACTED

DECLARATION OF ERIC HACKETT

I, Eric Hackett, declare under penalty of perjury under the laws of the state of Idaho:

1. My name is Eric Hackett. I am employed by Idaho Power Company as the Projects and Design Senior Manager.

2. On behalf of Idaho Power, I present this pre-filed direct testimony and Exhibit Nos. 2 through 4 and Confidential Exhibit Nos. 5 and 6 in this matter.

3. To the best of my knowledge, my pre-filed direct testimony and exhibits are true and accurate.

I hereby declare that the above statement is true to the best of my knowledge and belief, and that I understand it is made for use as evidence before the Idaho Public Utilities Commission and is subject to penalty for perjury.

SIGNED this 26th day of May 2023, at Boise, Idaho.

Signed: _____
Eric Hackett

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-23-20

IDAHO POWER COMPANY

HACKETT, DI
TESTIMONY

EXHIBIT NO. 2

IDAHO POWER®
An IDACORP Company

2022

All Source Request for Proposals (RFP)

FOR PEAK CAPACITY AND ENERGY RESOURCES

Zycus Sourcing Event #1312683354
RFP Issued: December 30, 2021
REP Response: March 10, 2022 | 4:00 p.m. Mountain Time

Idaho Power Company
P.O. Box 70
Boise, ID USA 83707

Exhibit No. 2
Case No. IPC-E-23-20
E. HACKETT - IPC

Table of Contents

1. Disclaimer

The information contained in this Request for Proposals (RFP) is presented to assist interested parties in deciding whether or not to submit a proposal. Idaho Power Company (IPC), an operating company subsidiary of IDACORP, Inc., is issuing this RFP to solicit formal proposals from qualified companies (each a Respondent) and does not represent this information to be comprehensive or to contain all of the information that a Respondent may need to consider in order to submit a proposal. None of IPC, its affiliates, or their respective employees, directors, officers, customers, agents and consultants makes, or will be deemed to have made, any current or future representation, promise or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained herein, or in any document or information made available to a Respondent, whether or not the aforementioned parties knew or should have known of any errors or omissions, or were responsible for their inclusion in, or omission from, this RFP.

No part of this RFP and no part of any subsequent correspondence by IPC, its affiliates, or their respective employees, directors, officers, customers, agents or consultants shall be taken as providing legal, financial or other advice or as establishing a contract or contractual obligation. IPC reserves the right to request from Respondent information that is not explicitly detailed in this document, obtain clarification from Respondents concerning proposals, conduct contract development and other discussions with selected Respondents, and conduct discussions with members of the evaluation team and other support resources as described in this RFP. The requirements specified in this RFP reflect those presently known. IPC reserves the right to vary, in detail, the requirements and/or to issue addenda to the RFP. In the event it becomes necessary to revise any part of the RFP, addenda will be provided to Respondents included in the current and applicable stage of the RFP.

IPC will, in its sole discretion and without limitation, evaluate proposals and proceed in the manner IPC deems appropriate. IPC reserves the right to reject any and all, or portions of, any proposal submitted by Respondents for failure to meet any criteria set forth in this RFP or otherwise, to make an independent assessment of viability of submissions, and to accept proposals other than the lowest cost proposal.

This RFP has been prepared solely to solicit proposals and is not a contract offer or a contract. This RFP is not binding on IPC. The only document that will be binding on IPC is an agreement duly executed by IPC and the successful Respondent (if any) after the completion of the evaluation process and the award and negotiation of an agreement. IPC reserves the right to reject any and all proposals submitted by Respondents. The issuance of this RFP does not obligate IPC to purchase any product or services offered by Respondent or any other entity. Furthermore, IPC may choose, at its sole discretion, to abandon the RFP process in its entirety. Respondents agree that they submit proposals without recourse against IPC, IDACORP Inc., any of IDACORP Inc.'s affiliates, or any of their respective employees, agents, officers, or directors for failure to accept an offer for any reason. IPC also may decline to enter into any agreement with any Respondent, terminate negotiations with any Respondent or abandon the RFP process in its entirety at any time, for any reason and without notice thereof. Respondents that submit proposals agree to do so without legal recourse against IPC, its affiliates, or their respective employees, directors, officers, customers, agents or consultants for rejection of their proposals or for failure to execute an agreement for any reason. IPC and its affiliates shall not be liable to any Respondent or other party in law or equity for any reason whatsoever for any acts or omissions arising out of or in connection with this RFP. Respondent shall conform in all material respects to all applicable laws, ordinances, rules, and regulations and nothing in this RFP shall be construed to require IPC or Respondent to act in a manner contrary to law. Except as otherwise provided in the rules and orders of the state of Idaho and Oregon Public Utilities

Commissions (the Commission or Commission's), by submitting its proposal, a Respondent waives any right to challenge any valuation by IPC of its proposal. Respondent whose proposal may be selected in response to this RFP acknowledges that it assumes full legal responsibility for the accuracy, validity, and legality of the work provided in conformance with this RFP. By submitting its proposal, a Respondent waives any right to challenge any determination of IPC to select or reject its proposal. IPC reserves the right to accept the proposal in whole or in part, and to award to more than one Respondent. Furthermore, Respondent understands that any "award" by IPC does not obligate IPC in any way. IPC will not be obligated to any part unless and until IPC executes a definitive agreement between the parties.

Respondent will absorb all costs incurred in responding to this RFP, including without limitation, costs related to the preparation and presentation of its response, supplemental responses, and negotiation and documentation of agreements. All materials submitted by the Respondent immediately become the property of IPC. Any exception will require written agreement by both parties prior to the time of submission.

In responding to this RFP, Respondent shall adhere to best business and ethical practices. Respondent shall adhere to IPC's Supplier Code of Conduct, available at idahopower.com.

Respondent is specifically notified that failure to comply with any part of this RFP may result in disqualification of the proposal, at IPC's sole discretion.

2. Purpose

2.1. BACKGROUND

IDACORP, Inc. is a holding company formed in 1998. Comprised of regulated and non-regulated businesses, its origins lie with Idaho Power, a regulated electric utility that began operations in 1916. Today, IPC is the largest regulated electric utility in the state of Idaho and IDACORP's chief subsidiary. IPC serves over 600,000 residential, business, agricultural, and industrial customers. The company's service area covers approximately 24,000 square miles, including portions of eastern Oregon. Learn more about Idaho Power at idahopower.com.

IPC currently serves its customers by supplying low-cost, reliable, and clean energy. Affordable, clean hydropower is the largest source of energy for customers. Power generation comes from a diverse set of resources that continues to meet a growing demand. For a more detailed description of current generation resources, please visit: idahopower.com/energy-environment/energy/energy-sources/.

IPC's service territory continues to experience customer growth and increasing demand (load) for electricity. IPC anticipates sustained load growth that will require the procurement of new resources to meet peak summer demand to maintain system reliability. Additionally, Idaho Power is interested in the procurement of potential economic energy resources, as detailed in the company's 2021 *Integrated Resource Plan* (IRP) results, to supplement the company's existing portfolio of resources. The addition of new resources is critical to ensure IPC can continue to reliably meet the growing pressures on its electrical system and serve its customers. The 2021 IRP is the basis for the resource requests in this solicitation.

2.2. THE SOLICITATION

IPC is issuing this RFP to solicit formal proposals from Respondents for electric energy and capacity delivered from electric resources that employ certain qualifying technologies under certain ownership arrangements (Products) to help meet IPC's identified capacity needs of 85 megawatts (MW) in 2024 and an incremental 115 MW in 2025. The eligible types of Products are described further in Section 3 of this RFP. Details on the proposal submission process and the proposal evaluation process are also described further in this RFP.

Evaluation of proposals will be performed by a special team of IPC staff and retained consultants with relevant subject matter expertise (Evaluation Team). Proposals may be submitted by a separate team of IPC staff and retained consultants (Internal Team). The Evaluation Team will treat the Internal Team as a Respondent. Any proposal from the Internal Team will be subject by the Evaluation Team to the same requirements, evaluation methodology, and other standards specified in this RFP for a proposal from any Respondent. Furthermore, the Evaluation Team and the Internal Team must comply with IPC's Separation of Functions Protocol to ensure the Evaluation Team functions independently from the Internal team, does not provide access to any non-public information or undue preference to the Internal Team, and provides the Internal Team and Respondents equal access to non-public information related to the competitive bidding process for new generation resource procurement.

The process of issuing and responding to this RFP, evaluation and selection of proposals, and the negotiation and approval of the agreement(s) is known as the solicitation (Solicitation). Respondents who are interested in participating in the Solicitation and submitting a proposal must first register via the third-party solicitation

portal, Zycus, further described in Section 2.5 of this RFP. This RFP sets forth the terms and conditions by which IPC will perform the Solicitation. Respondent agrees to be bound by all the terms, conditions, and other provisions of this RFP and any addenda to it that may be issued by IPC. This RFP governs the Solicitation and supersedes any other written or oral form of communication between Respondents and IPC concerning the Solicitation.

2.3. REGULATORY CONTEXT

The terms and conditions and effectiveness of any agreement will ultimately be subject to the Commissions' approval. This could also include, but is not limited to, Commission approval of a certificate of public convenience and necessity (CPCN) application from IPC. IPC reserves the right to: 1) inform the Commission that IPC could not reach agreement with the Respondent of a selected resource; 2) request Commission approval of any agreements it enters into with successful Respondents (e.g., CPCN applications); and 3) to terminate any agreement if IPC fails to receive Commission approval of submitted agreements or applications. Respondent shall provide any and all information and documentation reasonably requested by IPC to support such applications and requests.

2.4. CONFIDENTIALITY

Respondent acknowledges and agrees that all information obtained or produced in relation to this RFP is the sole property of IPC and shall not be released or disclosed by Respondent to any person or entity for any purpose other than providing a proposal to IPC, without the express written consent of IPC. Respondent agrees not to make any public comments or disclosures, including statements made for advertising purposes, regarding this RFP to the media or any other party without prior written consent of IPC. If Respondent receives any inquiries regarding this RFP from the media or any other party, said inquiries shall be forwarded to IPC.

Respondents shall specifically designate and clearly label any and all material(s) or portions thereof, contained in their proposals, that they deem to contain proprietary information as "CONFIDENTIAL". Nonetheless, IPC reserves the right to release all proposals to its affiliates and such affiliates' agents, advisors, and consultants, for purposes of proposal evaluation. IPC will advise each agent, advisor, or consultant that receives such claimed confidential information of its obligations to protect such information. In addition, all information, regardless of its confidential or proprietary nature, will be subject to review by the Commission and other governmental authorities and courts with jurisdiction, and may be subject to legal discovery. It is not IPC's intent to enter into any separate confidentiality, non-disclosure, or similar agreements as a condition to receiving a Respondent's proposal. However, if and when a proposal is advanced to the Initial Shortlist phase of this RFP, the Respondent must execute a Mutual Nondisclosure & Confidentiality Agreement (Confidentiality Agreement) with IPC in advance of further discussions with, and evaluation of, any such Respondent proposal by IPC. Respondents are directed to EXHIBIT K – Mutual Non-Disclosure Agreement for more detailed information.

2.5. SOLICITATION PORTAL AND RESTRICTION ON COMMUNICATIONS

IPC has opened a web-based portal hosted on the Zycus sourcing platform (the Portal). All information exchanged between the Respondent and IPC concerning the Solicitation must be via the Portal only from the time the Portal is open until it is closed by IPC. The Portal allows a Respondent to see only its own information and not the information of other Respondents.

IPC has the ability to communicate with Respondents through the Portal. Other than written communication through the Portal, Respondents are prohibited from communicating with IPC employees, representatives, staff, or Board Members regarding the Solicitation during the period in which the Portal is open. Restricted communication includes, but is not limited to, "thank you" letters, phone calls, emails, and any contact that results in the direct or indirect discussion of the Solicitation and/or submitted proposals. Violation of this provision by Respondents or their agents may lead to disqualification.

The web link to the Portal hosted by Zycus is: zycus.com

Respondent is responsible for ensuring it has registered for, and posts documents to, the correct Portal hosted by Zycus. The Respondent registering for access to the Portal must be a representative of the Respondent and counterparty with which IPC will engage in any future negotiations, and not consultants or attorneys for the Respondent.

Respondents who have completed the registration process and submitted the public Notice of Intent Form found at idahopower.com/about-us/doing-business-with-us/request-for-resources shall receive an email invitation from Zycus containing a link to the event.

Respondent must not disclose its participation in this Solicitation (other than by attendance at any meeting held by IPC with respect to the Solicitation) or collaborate on, or discuss with any other Respondent or potential Respondent bidding strategies or the substance of any proposal(s), including without limitation the price or any other terms or conditions of any proposal(s).

Questions regarding the Portal should be directed to:
Idaho Power Company
Request for Resource Team
resourceNOI@idahopower.com

2.6. SCHEDULE

The key milestones for the Solicitation and their currently scheduled dates are provided in Table 1 below.

Table 1 – Key Milestones for the Solicitation

Milestone	Date
Portal opened for interested party registration and communication	December 30, 2021
RFP and other Solicitation documents posted to the Portal	December 30, 2021
Pre-Bid Presentation Recording posted to the Portal	January 20, 2022
Deadline for Submittal of Questions, after which IPC may not respond	February 10, 2022 by 4 p.m. Mountain Time
Deadline for Proposal Submittal – Portal closed to further posting by Respondents, evaluation begins	March 10, 2022 by 4 p.m. Mountain Time
Threshold and Eligibility Screening Completed	March 31, 2022
Initial Shortlist Completed	April 21, 2022
IRP Modeling and Contract Negotiations with Initial Shortlist	April 22, 2022 – June 1, 2022
Final Shortlist Selected	June 3, 2022
Complete Final Contract Negotiations	June 30, 2022

This schedule and documents associated with the Solicitation are subject to change at IPC's sole discretion at any time and for any reason. IPC will endeavor to notify Respondents of any changes to the Solicitation but shall not be liable for any costs or liability incurred by Respondents or any other party due to a change or for failing to provide notice or acceptable notice of any change. Respondents should factor this schedule and any changes thereto into their project development timelines and proposals.

Respondents should carefully review this RFP for questions, clarifications, defects, and questionable or objectionable materials. Comments and questions concerning clarifications, defects, and questionable or objectionable material must be submitted through the Portal and must be submitted on or before the date and time specified in the above schedule. IPC may not respond to questions submitted after this date. All questions and their applicable responses will be provided to Respondents via the Portal.

2.7. PRE-BID PRESENTATION AND RECORDING

IPC will not host an in-person live pre-bid meeting or webcast regarding the Solicitation due to concerns over potential technical difficulties in live hosting such a large event and fairness to Respondents from distant time zones. Instead, IPC will prepare a video or audio recording concerning the RFP and the overall Solicitation process. The recording will include video of a presentation deck and audio of the speakers presenting the deck. The recording will be posted to the Portal on or before the date identified in the Schedule provided in Section 2.6 of this RFP. Viewing of the recording is not mandatory for Respondents.

3. Product Specifications

A proposal must demonstrate that the specifications stated in this section are satisfied.

3.1. ELIGIBLE PRODUCTS

The Products eligible to be proposed in response to the RFP are presented in the below *Key Product Specification Tables*.

Key Product Specification Tables:

Table 2 – Renewable Energy Products

Product	1	2	3	4	5	6	7	8	9
Resource Type	Solar PV			Wind			Geothermal		
Product Type	Power Purchase Agreement (PPA)		Asset Purchase	PPA		Asset Purchase	PPA		Asset Purchase
Ownership Structure	Respondent		IPC	Respondent		IPC	Respondent		IPC
Term	20-34, 35 years, IPC Asset Purchase	35 years	n/a	20-34, 35 years, IPC Asset Purchase	35 years	n/a	20-34, 35 years, IPC Asset Purchase	35 years	n/a
First Delivery	On or before 6/1/2024 (for 85 MW 2024 deficit), or 6/1/2025 (for 115 MW 2025 deficit)								
Resource Status	Existing or proposed new in late-stage development with pending or executed Large Generation Interconnection Application (LGIA)/ Small Generation Interconnection Application (SGIA)								
Design Life	35 years minimum								
Capacity	Minimum 100 MW ac nameplate or minimum 40 MW ac capacity after application of effective load carrying capability (ELCC) factor[1]								
Interconnection	IPC Transmission System or transmission system of adjacent host utility								
Delivery Point	Within the boundary of the IPC Balancing Authority (BA) Area, or outside with all necessary transmission rights to the BA								
Storage Duration	n/a								
Storage Cycles	n/a								
Other	A Proposal for a 20-34 year PPA must include pricing for each of the alternatives shown under Term section of this Table 2. A resource of less than the specified capacity minimums that offers unique benefits may be proposed								

[1] Refer to Exhibit N for ELCC factors

Table 3 – Storage Products

Product	10	11	12	13	14	15	16	17	18	19
Resource Type	Battery Energy Storage (BESS)	Solar + BESS			Wind + BESS			Long Duration Storage		
Product Type	Asset Purchase	Asset Purchase	Solar PPA 20-34 Years + BESS Asset Purchase	Solar PPA 35 Years + BESS Asset Purchase	Asset Purchase	Wind PPA 20-34 years + BESS Asset Purchase	Wind PPA 35 years + BESS Asset Purchase	PPA		Asset Purchase
Ownership Structure	IPC	IPC	Solar: Respondent BESS: IPC	Solar: Respondent BESS: IPC	IPC	Wind: Respondent Storage: IPC	Wind: Respondent Storage: IPC	Respondent		IPC
Term	n/a	n/a	20-34 years, 35 years, IPC Asset Purchase	35 years	n/a	20-34 years, 35 years, IPC Asset Purchase	35 years	20-34 years, 35 years, IPC Asset Purchase	35 years	n/a
First Delivery	On or before 6/1/2024 (for 85 MW 2024 deficit), or 6/1/2025 (for 115 MW 2025 deficit)									
Resource Status	Existing or proposed new in late-stage development with pending or executed LGIA/SGIA									
Design Life	35 years									
Capacity	Minimum 40 MW ac capacity after application of ELCC factor[1]									
Interconnection	IPC Transmission System or transmission system of adjacent host utility									
Delivery Point	Within the boundary of the IPC Balancing Authority (BA) Area, or outside with all necessary transmission rights to the BA									
Storage Duration	4+ hours							6+ hours		
Storage Cycles	1+ cycles per day									
Other		A proposal for a 20-34 year PPA must include pricing for each of the alternatives show under the Term section of this Table 3. Storage combined with a renewable must be chargeable from the grid by IPC after expiration of the tax benefit recapture period, if applicable. A solar or wind resource of less than the specified capacity minimums that offers unique benefits may be proposed.								

[1] Refer to Exhibit N for ELCC factors

Table 4 – Other Products

Product	20	21	22	23
Resource Type	Gas-fired Convertible to Hydrogen			Demand Response
Product Type	PPA		Asset Purchase	Program
Ownership Structure	Respondent		IPC	Respondent
Term	20-34 years, 35 years, IPC Asset Purchase	35 years	n/a	5 year maximum
First Delivery	On or before 6/1/2024 (for 85 MW 2024 deficit), or 6/1/2025 (for 115 MW 2025 deficit)			
Resource Status	Existing or proposed new in late-stage development with pending or executed LGIA/SGIA			n/a
Design Life	50 years			n/a
Capacity	Minimum 40 MW ac capacity after application of ELCC factor			Minimum 5 MW ac delivered after applications of ELCC factor
Interconnection	IPC Transmission System or Transmission System of adjacent host utility			n/a
Delivery Point	Within the boundary of the IPC Balancing Authority (BA) Area, or outside with all necessary transmission rights to the BA			n/a
Storage Duration	n/a			
Storage Cycles	n/a			
Other	A Proposal for a 20-34 year PPA must include pricing for each of the alternatives shown under Term section of this Table 4. Conversion must be achievable within 10 years and costs must be accounted for in submittal.			Must meet cost effectiveness test based on utility cost test (UCT). Capacity must be dispatchable based on day ahead notification minimum with preference for shorter notice dispatch (e.g. 10 minute to 1 hour ahead) New programs must be differentiated from existing programs and exclude existing IPC demand response participants (not overlap) or provide details of how the new program would complement existing IPC programs. New programs must demonstrate how marketing and customer participation will not be detrimental or cause undue confusion to IPC customers. Respondents must have a demonstrated record of program success.

3.2. DELIVERY AND RESOURCE STATUS

Preference will be given to proposals with proof of generator interconnection status and the ability to deliver such proof as a pending or executed Generation Interconnection Agreement (LGIA or SGIA), progress or status of the interconnection study, and/or understanding of contingent queue projects that may hinder deliverability.

3.3. OWNERSHIP AND AGREEMENT TYPES

As a vertically integrated utility with an obligation to provide safe, reliable electric service, IPC will carefully consider any additional quantitative and qualitative benefits associated with resources proposed under an IPC ownership mechanism, under which ownership of the resource is transferred to IPC upon achieving commercial operation, or occurring later, at some subsequent date.

3.4. ADDITIONAL PRODUCT SPECIFICATIONS

IPC may also accept other Products that meet the ownership and electrical functionality criteria outlined in the Key Product Specification Tables identified in Section 3.1 of this RFP. Respondents who propose a Product not specifically identified in the Key Product Specification Tables must provide applicable information, specifications, terms, etc. for evaluation purposes. Products that are not eligible include, but are not limited to; non-electrical energy or capacity (e.g., thermal energy storage without conversion to electric energy), renewable energy credits without the associated energy (Unbundled Renewable Energy Credits [RECs]), and financial instruments used to mitigate variable cost exposure without associated energy or capacity (Financial Firming).

Respondents whose proposals include Solar Photovoltaic (PV) and/or Wind technologies are encouraged to configure the Solar PV and/or Wind resources to maximize energy delivery during hours most valuable to IPC.

Information concerning the hours most valuable to IPC is provided in EXHIBIT D – Information on Most Valuable Hours attached hereto. Respondents are also advised to review the (ELCC) factors that IPC has forecasted consistent with the 2021 IRP for various resource types, Exhibit N – Effective Load Carrying Capability Factors to this RFP. These ELCCs are provided for information purposes only. IPC will use project-specific data to determine project-specific ELCCs to discount the capacity proposed by the Respondent during the quantitative evaluation process described in this RFP. The ELCC factors will not impact the actual prices that would be paid to a Respondent if and when IPC enters an agreement with the Respondent to purchase the proposed Product.

Respondents are directed to EXHIBIT E – Standard Terms and Conditions and Exhibit F – Power Purchase Agreement for more detailed information concerning the key terms and conditions to be incorporated into Respondent's agreement structure. IPC encourages the submission of proposals that use applicable tax credits in the most efficient manner to reduce the project's overall cost. Any structure needed to effectively utilizes tax credits and subsidies should be included in the Proposal.

Respondents are also directed to EXHIBIT M – Draft Form Letter of Credit for reference. In such case that the Respondent is successful, Respondent shall be responsible for furnishing a letter of credit in a format substantially similar to these forms included in this RFP. These forms shall be subject to review and acceptance by IPC in its reasonable discretion. Respondent shall deliver the required letter of credit no later than 30 days following any such notice of award of the Project.

4. Electric Interconnection

4.1. COST ESTIMATING

Respondent is responsible for understanding the electric transmission interconnection processes of IPC or other transmission providers, considering the durations and costs of those processes in its proposals, and successfully executing those processes to achieve coordination with IPC and delivery of the proposed Products to IPC on or before the dates identified in its proposed schedule for the resource. A proposal must demonstrate that all incremental costs to deliver energy from the resource to IPC's load have been contemplated as described below. The Respondent must include all costs pursuant to an existing or future Generator Interconnection Agreement (GIA) that will allow the resource to be designated as a Network Resource.

Electric interconnection facilities consist of multiple components as defined below.

a) Interconnection Customer's Interconnection Facilities (ICIF) are all facilities and equipment (including the gen tie line) located between the resource and the Point of Change of Ownership. Respondent must submit resource-specific cost estimates of ICIF as part of its proposal and consider the cost of ICIF in its pricing.
b) Transmission Provider Interconnection Facilities (TPIF) connect the Interconnection Customer's Interconnection Facilities and facilitate the metering, relay and communications, etc. TPIF are all facilities owned, controlled or operated by the transmission Provider from the Point of Change of Ownership to the Point of Interconnection. These are facilities that IPC will own, and the Respondent will fund. Respondent must submit resource-specific cost estimates of TPIF as part of its proposal and consider the cost of TPIF in its pricing. To aid in consideration of the cost, an estimated cost for TPIF based on interconnection voltage level is provided below. If an interconnection study has been performed by the Transmission Provider that includes an estimate of TPIF, then the costs from that study should be used in lieu of these estimates.

Voltage	TPIF Estimated Cost (2021 $ 000s)
69 kilovolts (kV)	$1,500
138 kV	$2,000
Voltage	TPIF Estimated Cost (2021 $ 000s)
230 kV	$2,500
345 kV	$3,000

Station Network Upgrades (SNU) in a GIA are either new switchyards or additions to existing switchyards or substations that are built to interconnect the generator to IPC's transmission system. SNUs become a component of the integrated IPC transmission system and are incorporated into IPC tariffs according to the Open Access Transmission Tariff (OATT). Respondents are required to provide cost estimates of SNUs. Respondents must submit resource-specific cost estimates of SNU's as a part of their proposal and consider the cost of SNU in the pricing. If costs are not available from an interconnection study then Respondent should estimate costs and provide rationale to substantiate the cost estimate.

c) Delivery Network Upgrades (DNU) in a GIA are upgrades to IPC's transmission network that will be required for individual resources and groups of resources. These upgrades will be incorporated into IPC's transmission tariffs according to the OATT. Respondents must submit resource-specific cost estimates of DNUs as part of their proposal and consider the cost of DNU in the pricing. If costs are not available from an interconnection study then Respondent should estimate costs and provide rationale to substantiate the cost estimate.

If a Respondent has an active interconnection request, the Respondent must provide the interconnection request identifier(s) (the "queue position") associated with its resource in its proposal. If the resource identified in the proposal was in the queue but has since withdrawn, the Respondent should provide that queue position even though it is no longer active.

Respondent must provide proposal-specific SNUs and DNUs and associated costs or estimate the SNUs and DNUs if unavailable from the Transmission Provider. Proposals involving existing generation resources from which IPC currently purchases capacity and energy will not be burdened during proposal evaluation with any incremental electric interconnection or network delivery costs provided that IPC currently has sufficient transmission and distribution capacity to deliver the proposed energy to its load. Existing generation resources that IPC determines to have inadequate transmission capacity to deliver will be burdened with the estimated cost of purchasing additional transmission rights and/or SNUs and DNUs.

4.2. INTERCONNECTION STUDIES

The Transmission Provider function within IPC, separate and apart from the RFP evaluation team, performs studies for (LGIA) requests (over 20 MW) and (SGIA) requests (under 20 MW). The studies are performed to determine the feasibility, cost, time to construct, and injection capability for the interconnection of an electric generating resource. Information concerning generator interconnection

can be found at IPC's website [1] including information on PURPA Qualifying Facility (QF) Interconnections, Non-PURPA QF Interconnections, and Facility Connection Requirements. IPC posts the results of these studies on its OASIS website.[2]

Transmission systems are interrelated and generation injection at one point on the systems may change the injection capability at other points. The generation injection capability assumed by the Respondent for purposes of a proposal may change when the Transmission Provider performs specific resource and resource portfolio interconnection studies. For purposes of aiding Respondents in determining points of interconnection and delivery, IPC has identified areas on the IPC system that may have relatively high injection capability and relatively low cost and time to construct if studied by the Transmission Provider. These areas are identified in EXHIBIT C – Information on Preferred Locations of this RFP.

For Respondents that submit a generation interconnection request or transmission service request pursuant to IPC's OATT intending to receive interconnection or transmission service cost estimates for purposes of responding to this RFP, Respondents are advised that there may not be sufficient time to have studies performed and completed prior to proposal evaluation.

If and when a proposal is selected for the Initial Shortlist and it is for a new resource that will be interconnected to the IPC BA, it may be studied by IPC per IPC's generation interconnection process. Respondents will be notified if their proposed resource will be studied, and the Respondents must provide the site control, monetary deposits and other information required under the IPC generator interconnection process. When the study process reaches the Facilities Study phase, the Respondent will be responsible for continued compliance to bring the resource through the balance of the IPC interconnection process and execute an interconnection agreement.

Upon completion of the Facilities Study, the estimated costs of the ICIF, TPIF, SNU, and DNU resulting from the study (if any) will be used by IPC in further evaluation of the proposal and determination if the Respondent will be selected for the Final Shortlist and invited to negotiate an agreement with IPC.

For Final Shortlist resources IPC requires that it will be declared a Network Resources of IPC. The cost of any network transmission service on IPC's system for a resource that is ultimately contracted and achieves commercial operation will be funded according to the OATT.

Regardless of resource ownership, Respondents must provide satisfactory proof that all ICIF, TPIF, SNU, and DNU facilities can be complete and delivery of the proposed Products to IPC on or before the dates identified in its proposed schedule for the resource.

[1] www.idahopower.com/about-us/doing-business-with-us/generator-interconnection/ [2] www.oasis.oati.com/ipco/.

5. Additional Requirements

5.1. DATA AND CYBER SECURITY

A proposal must comply with the expectations of the Office of Electricity with regard to Presidential Executive Order 14017 (E.O. 14017) issued February 24, 2021, titled *America's Supply Chains* and *Notice of Request for Information (RFI) on Ensuring the Continued Security of the United States Critical Electric Infrastructure* Frequently Asked Questions, which (among other things) expect utilities to act in a way that minimizes the risk of installing electric equipment and programmable components that are subject to foreign adversaries' ownership, control, or influence.

All design and implementation details must follow electrical industry best practices for cyber security as well as all applicable regulatory requirements pertaining to the security of electric system assets. In response to EXHIBIT A – Information for Qualitative Evaluation of this RFP, Respondents must generally describe their cyber security requirements, practices, and policies. Any additional IPC specific requirements will be addressed during the RFP review and contracting process, pursuant to EXHIBIT K – Mutual Non-Disclosure Agreement. Respondent must state that any and all equipment utilized in the proposed resource will not be procured through an Office of Foreign Assets Control (OFAC) designed entity or otherwise be comprised of equipment prohibited for use by electric utilities in the United States.

5.2. PURCHASING RESTRICTIONS/PROHIBITED TECHNOLOGY

Pursuant to Section 889(a)(1)(B) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, a Respondent must be able to represent in its agreement with IPC that the Respondent does not and/or will not use any telecommunications equipment, system, or service (or as a substantial or essential component of any system or as or critical technology of any system) made by any of the following companies, or any subsidiary or affiliate thereof (including companies with the same principal word in the name, e.g., Huawei or Hytera: Huawei Technologies Company; ZTE Corporation; Hytera Communications Corporation; Hangzhou Hikvision Digital Technology Company; or, Dahua Technology Company (collectively, Prohibited Technology).
Prohibited Technology may include, but is not limited to, video/monitoring surveillance equipment/services, public switching and transmission equipment, private switches, cables, local area networks, modems, mobile phones, wireless devices, landline telephones, laptops, desktop computers, answering machines, teleprinters, fax machines, and routers. Prohibited Technology does not include telecommunications equipment that cannot route or redirect user data traffic or permit visibility into any user data or packets that the equipment transmits or handles.

5.3. SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS PROGRAM

IPC is committed to the implementation of a Small and Disadvantaged Business Program. It is the intent of IPC that small business concerns and small businesses owned and controlled by socially and economically disadvantaged individuals have the opportunity to participate in the performance of contracts awarded by IPC. Consequently, we request that you indicate your eligibility as a small

business based upon the regulations in Title 13, Code of Federal Regulations, Part 121. If in doubt, consult the Small Business Administration Office in your area.

6. Proposal Format and Submittal

6.1. SUBMISSION OF PROPOSALS

A proposal is considered the aggregate of the information uploaded by a Respondent, and subsequently entered directly into the cells of the spreadsheet titled "Proposal Entry Form" located in the Portal (Information).

Respondent is responsible for uploading the Proposal Entry Form back to the Portal, with all and other written documents required by the Proposal Entry Form and this RFP. The Portal is designed to accept the majority of the Information as data entered in the Proposal Entry Form, with data entry restricted to only certain eligible types and values. The purpose is to ensure Information is entered consistently across all Respondents and proposals such that IPC can consistently, fairly, and quickly organize the Information and evaluate the proposals and minimize the amount of written (e.g., PDF, DOC) documents that IPC must review and interpret.

Respondents are strongly advised to carefully review Exhibit E – Standard Terms and Conditions and Exhibit F – Power Purchase Agreement and the Technical Specifications (Exhibit G – BESS Technical Specification, Exhibit H – Solar Technical Specification, and Exhibit I – Wind Technical Specification, Exhibit J – Gas-Fired Convertible to Hydrogen Technical Specification) relevant to their proposed products prior to uploading information to the Portal. If and when a Respondent is selected for negotiation of an agreement, IPC will utilize the Information submitted to populate the relevant portions of the agreements for that Respondent. Respondents should upload information with the understanding that it will ultimately result in binding contract terms.

6.2. BID FEES

A Respondent is required to submit to IPC a non-refundable fee of $10,000 with each proposal submitted (Evaluation Fee). The purpose of the Evaluation Fee is to encourage submission of well-developed and viable proposals and to offset the cost to IPC for evaluation of proposals. For the purpose of assessing an Evaluation Fee, a proposal is generally defined as follows:

- A single capacity construction phase of a resource at one site = one proposal
- Different capacity, or initial delivery year from the same site = different proposal
- Different technology from the same site = different proposal
- Different Product from same site = different proposal
- Different site = different proposal

IPC may deem a proposal that does not satisfy the requirements for a single proposal as multiple proposals, each of which would require a separate Evaluation Fee. If IPC deems a Respondent's proposal to be multiple proposals, IPC will notify the Respondent and allow it to elect to pay the

incremental Evaluation Fee or to revise its proposal to comply with IPC's requirements for a single proposal.

A Respondent that has its proposal selected for the Final Shortlist and is invited to begin negotiation of an agreement may be required to submit an additional fee in an amount equal to $1/kW of proposed resource capacity (a Supplemental Fee) to IPC prior to commencement of negotiations. For example, a proposal for a resource with a proposed capacity of 80 MW would pay a Supplemental Fee of $80,000 (e.g., 80 MW Project
* $1/kW = $80,000). The purpose of the Supplemental Fee is to ensure good faith submissions and negotiations by the Respondent and to offset the costs that IPC will incur while reviewing proposals and negotiating an agreement.

The Evaluation Fee and Supplemental Fee may be refunded by IPC at its sole discretion.

6.3. PROPOSAL NAMING

A Respondent must generate a unique name for each of its proposals (Proposal Code) by selecting and entering in the Proposal Entry Form where indicated the Product Type, Proposal Name, and whether the facility is new or existing. The resulting Proposal Code must thereafter be used by the Respondent when referring to the proposal and must be inserted into the file name of each document for the proposal uploaded by the Respondent. The purpose of the Proposal Code is to allow IPC to more easily identify and differentiate among proposals and documents particularly if the volume of proposals received is relatively large.

6.4. PROPOSAL WRITTEN DOCUMENTS

Written documents must be text-searchable PDF (portable document format) and must contain documents reproduced directly from the native document (i.e., Word, Excel, MicroStation, AutoCAD). Scanned images and documents will be considered irregular and may be rejected.

6.5. PROPOSAL SUBMISSION REQUIREMENTS

Exhibits to this RFP summarize the Information that must be uploaded by Respondents to the Portal. These include EXHIBIT A – Information for Qualitative Evaluation and EXHIBIT B – Information for Quantitative Evaluation attached hereto.

Respondents are directed to the Proposal Entry Form within the Portal to ensure Respondent responds to, and completes all the requested information applicable for Respondents proposed technology. Respondents will ensure the specific type and level of detail requested in the Proposal Entry Form is provided, complete, and accurate.

Respondent must fill out all applicable fields on all four sheets of the Proposal Entry Form in the order of:

1. Respondent Information;
2. Commercial;

3. Technical; and
4. Pricing.

Respondents are directed to the Proposal Entry Form within the Portal for further instructions.

Incomplete Proposal Entry Forms will be considered non-conforming and may be rejected.

6.6. FIRM PROPOSAL

Each proposal shall be firm, not subject to price escalation, and binding for one hundred eighty (180) days from the date the proposals are due under this RFP. Proposed pricing shall include Operating and Maintenance (O&M), Long-Term Services Agreement (LTSA), and warranty costs for the proposed terms. Respondent shall ensure all pricing information is complete and accurately entered in to the "4. Pricing" tab of the Proposal Entry Form located in the Portal. Incomplete pricing information will be considered irregular and may be rejected.

6.7. TAXES

Respondents are responsible for the payment of all sales, conveyance, transfer, excise, real estate transfer, business and occupation, and similar taxes assessed in connection with a proposed agreement.

6.8. INSURANCE

The insurance requirements that must be met by Respondent are summarized below. This summary is provided for information only and is subject to revision. If a conflict arises between this summary and any executed agreement between Respondent and IPC, the executed agreement shall govern.

At its sole cost and expense, Respondent shall maintain (and cause each of its agents, independent contractors, and Subcontractors at any tier performing any services on the project to maintain) at least the following insurance:

- Workers' Compensation Insurance with limits of not less than those required by applicable statutes.
- Employer's Liability Insurance. When permitted by law, the insurance policies required shall contain waivers of the insurer's subrogation rights against IPC. Respondent shall reimburse IPC for any costs (including self-insured tax audit assessments) incurred in the event Respondent maintains an uninsured status within the State of Idaho.
- Business Automobile Liability Insurance.
- Commercial General Liability Insurance applicable to all premises and operations, including without limitation: (i) bodily injury, (ii) property damage, (iii) contractual liability coverage covering its obligations of indemnity and defense, (iv) products and completed operations, (v) independent contractors, and (vi) personal and advertising injury. Such insurance shall provide for occurrence-based coverage and shall have such other terms, conditions, and endorsements of coverage as are deemed prudent by IPC from time to time.

- Professional Liability Insurance or Errors and Omissions Insurance, including without limitation, coverage for claims of financial loss due to error, act, or omission of Respondent or Respondents employees, officers, equity owners, subcontractors at any tier, or agents. Professional Liability Insurance shall be maintained for a minimum of two-years beyond the date of expiration of the executed agreement or the agreement is otherwise terminated.
- IP (Intellectual Property/Patent) Insurance covering infringement of copyrights, trademarks, and patents, and misappropriation of trade secrets.
- Fidelity Insurance naming IPC as Loss Payee, for losses arising out of, or in connection with, any fraudulent or dishonest acts, including without limitation computer fraud, committed by Respondent or Respondent's employees, officers, equity owners, Subcontractors at any tier, or agents, acting alone or with others, including losses of property and funds in their care, custody, or control.
- Contractor's Pollution Liability Insurance. Respondent, and Respondent subcontractors or their respective agents or employees are performing services under an executed agreement with environmental hazards maintains a "Claims Made" policy under this such insurance or its replacement insurance shall have a retroactive date of no later than the effective date of the agreement. Such insurance policy or its replacement policy shall provide either a minimum of two-years extended reporting period coverage after completion of all services, or a period equal to the maximum time under the State of Idaho statute of limitations existing on the effective date for potential claims under such insurance, whichever is longer. The policy must also provide the following:
    - Coverage for defense, reimbursement, and indemnity obligations assumed by Respondent under the executed agreement related to claims, damages, liabilities, losses, demands, expenses, suits, judgments, penalties, fines and costs, including without limitation, investigative costs, settlement costs, court costs at all levels, and attorneys' and expert witness fees and expenses;
    - Coverage for any demands for environmental cleanup costs related to Respondents services under the executed agreement;
    - Coverage for the presence, discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants, silt or sediment into or upon land, the atmosphere or any watercourse or body of water (Pollution Conditions) emanating from or affecting any location, whether or not owned, leased, occupied or otherwise controlled by IPC, to the extent such Pollution Conditions are caused by Respondent, its employees, and agents;
    - Coverage for bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death, and medical monitoring;
    - Coverage for physical injury to, or destruction of tangible property of, parties other than the insured including the resulting loss of use and diminution in value thereof; loss of use, but not diminution in value, of tangible property of

parties other than that belonging to the insured that has not been physically injured or destroyed;
- Coverage for transportation and non-owned disposal site (with no sunset clause/restricted coverage term) (if applicable);
- Property damage to include natural resources damage; and
- No exclusions for asbestos, lead paint, silica or mold/fungus.

Coverage shall apply to sudden and non-sudden Pollution Conditions, provided such conditions are not naturally present in the environment in the concentration or amounts discovered, unless such natural condition(s) are released or dispersed as a result of the performance of covered operations. Respondent additionally agrees to name IPC as an additional insured and to provide waiver of subrogation against IPC an to furnish insurance certificates, showing Respondents compliance.

- Cyber Liability, Network Security, Data Breach Protection and/or Similar Privacy Liability Insurance. In the event that Respondent will have access to any restricted information of IPC, its clients, customers, employees, prospective employees, or other third parties, whether protected or not by any local, statutory, federal or other governing legislation(s) or regulation(s), Respondent shall maintain cyber liability, network liability, data breach or similar privacy liability insurance covering actual and/or alleged acts, errors or omissions committed by Respondent, its employees, contractors or agents. For purposes of this RFP, "Restricted Information" means any confidential or personal information that is protected by law or policy and that requires the highest level of access control and security protection, whether in storage or in transit, including without limitation, personal identity information (PII), protected health information (PHI), electronic protected health information (ePHI) protected by Federal Health Insurance Portability and Accountability Act (HIPAA) legislation, credit card data regulated by the Payment Card Industry (PCI), passport numbers, passwords providing access to restricted data or resources, information relating to an ongoing criminal investigation, court-ordered settlement agreements requiring non-disclosure, information specifically identified by contract as restricted, and other information for which the degree of adverse effect that may result from unauthorized access or disclosure is high. Such insurance shall expressly provide coverage for the following perils up to the full limit of coverage with no sublimit:
  - Unauthorized use/access of a computer system or database;
  - Defense of any regulatory or governmental action involving a breach of privacy or similar rights;
  - Failure to protect from disclosure Restricted Information;
  - Notification and remedial action costs (such as credit monitoring) in the event of an actual or perceived computer security or privacy breach; and
  - Denial of electronic access, electronic infection, and electronic information damage, whether or not required by law.

Such insurance shall extend to cover damages arising out of any actual or alleged act(s), error(s) or omission(s) of any individual when acting under Respondent's supervision, direction, or control. Such

insurance shall provide coverage on a worldwide basis. Respondent and its insurer(s) shall waive rights of recovery against IPC for any benefits under Respondents cyber-risk, data breach protection or similar privacy liability insurance.

- Cargo and Property Insurance. If Respondent, Subcontractor at any tier, or their respective agents or employees are transporting and/or storing IPC materials or equipment, Contractor shall provide Cargo Insurance and/or Property Insurance (as applicable) covering physical loss or damage, naming IPC as Loss Payee, arising out of, or in connection with, any loss associated with transportation or storage of IPC equipment or material while in the care, custody, or control of Contractor (or its Subcontractors at all tiers). The declared value of the Cargo and/or Property Insurance shall be based on the replacement value of the property in question.

Insurance required shall be primary and non-contributory and:

- Be issued on a U.S. policy by one or more carriers acceptable to IPC and licensed to do business in the state where services are rendered;
- Except as to Workers' Compensation Insurance, Employer Liability Insurance, and Professional Liability Insurance, name IPC as an additional insured or loss payees, as its interests may appear;
- Not be able to be canceled or materially changed unless IPC is given written notice of such cancellation or change at least thirty (30) days in advance;
- Provide for severability of interests;
- Waive all right of subrogation against additional insureds and IPC, its members, officers, employees, agents, and the successors in interest of the foregoing; and
- Shall not be limited to "ongoing" operations. Respondent shall pay for all deductibles.

If approved in advance by IPC in writing, Respondent may use a combination of Umbrella/Excess and Primary limits of insurance to provide coverage up to the required amount. Upon execution of an agreement, Contractor shall provide IPC with a certificate of insurance indicating all coverages required hereunder, and copies of all policies if requested by IPC.

Respondent agrees to carry and keep insurance in full force during the term of any agreements sufficient to fully protect IPC from all damages, claims, suits and/or judgments including, but not limited to, errors, omissions, violations, fees and penalties caused or claimed to have been caused by, or in connection with the performance or failure to perform under the agreements by Respondent, Respondent's agents or employees, a Respondent's Subcontractor(s), or its agents or employees. Should the Minimum Insurance Requirements of IPC change, the Respondent shall be notified in writing and Respondent shall have sixty (60) days to meet the new requirements. Should the new requirements add materially to Respondent's cost, Respondent may notify IPC and request adjustment in Respondent's compensation commensurate with the increase or decrease in Respondent's cost to achieve the new requirements.

6.9. FINANCIAL AND CREDIT INFORMATION

Respondent must provide a written response and associated documents in response to the Counterparty Financial Questionnaire. Details are further described in EXHIBIT L - Counterparty Financial Questionnaire of this RFP.

6.10. STANDARD TERMS AND CONDITIONS AND POWER PURCHASE AGREEMENT

Respondents must provide IPC with their definitive agreement, complete with applicable terms and conditions, exhibits, schedules, attachments, and any other supplemental documents proposed as part of Respondents submittal into this RFP, and for IPC's review.

Accordingly, IPC is providing Respondents a list of standard terms and conditions and power purchase agreement that IPC is requesting to be incorporated as part of Respondents proposal (Exhibit E – Standard Terms and Conditions and Exhibit F – Power Purchase Agreement). Respondents must provide proposals and pricing consistent and compliant with EXHIBIT E – Standard Terms and Conditions and Exhibit F – Power Purchase Agreement for the proposed Product and resource type. To the extent that the validity of a Respondent's proposal and/or the Respondent's ability to execute an agreement is contingent upon material changes to the language in EXHIBIT E – Standard Terms and Conditions or Exhibit F – Power Purchase Agreement, the Respondent should specifically identify the terms they propose to change in the form of a redline markup to Exhibit E and Exhibit F, and submit the redline with its proposal. To the extent that a Respondent wishes to propose changes to Exhibit E or Exhibit F that, if accepted by IPC, would reduce the Respondent's proposed pricing the proposal should specifically identify in the redline such changes and the associated price reduction.

Respondents proposing to sell existing generation facilities must propose in the redline changes to Exhibit E and Exhibit F (as applicable) of this RFP for the proposed resource type reflecting the terms and conditions on which their proposal is based. The proposed changes must be specific and include a detailed explanation and supporting rationale for each. General comments, drafting notes and footnotes such as "parties to discuss" will be disregarded and not negotiated. Exceptions to the EXHIBIT E – Standard Terms and Conditions and Exhibit F – Power Purchase Agreement requested by a Respondent will be reviewed as part of IPC's qualitative (and quantitative as applicable) evaluation of the proposal. Proposals which do not include redlines to Exhibit E and Exhibit F, shall be deemed by IPC as accepting IPC's Exhibit E- Standard Terms and Conditions and Exhibit F – Power Purchase Agreement in their current form as included in this RFP.

6.11. EXCEPTIONS TO THE TECHNICAL SPECIFICATIONS

Respondents that propose a resource for IPC ownership must provide proposals and pricing consistent and compliant with the applicable technical specifications provided as Exhibits to this RFP ("Technical Specifications"). To the extent the validity of a Respondent's proposal and/or the Respondent's ability to execute an agreement is contingent upon material changes to the language in the Technical Specifications, the Respondent must specifically identify the specifications it proposes to change in the form of a redline markup to the Technical Specification and submit the redline with its proposal. To

the extent a Respondent wishes to propose changes to the Technical Specification that, if accepted by IPC, would reduce the Respondent's proposed pricing the Respondent should specifically identify in the redline such changes and the associated price reduction. To the extent practicable, Respondents should develop exhibits, schedules, attachments and other supplemental documents required by the Technical Specification in the redline.

The proposed changes must be specific and include a detailed explanation and supporting rationale for each. General comments, drafting notes and footnotes such as "parties to discuss" will be disregarded and not negotiated. Exceptions to the Technical Specifications requested by a Respondent will be reviewed as part of IPC's qualitative evaluation of the proposal.

6.12. EXCEPTIONS TO THE DRAFT FORM LETTER OF CREDIT

Respondents that propose a resource for IPC ownership must provide proposals and pricing consistent and compliant with the EXHIBIT M - Draft Form Letter of Credit. To the extent the validity of a Respondent's proposal and/or the Respondent's ability to execute an agreement is contingent upon material changes to the language in the Draft Form Letter of Credit, the Respondent should specifically identify the terms they propose to change in the form of a redline markup to EXHIBIT M - Draft Form Letter of Credit and submit the redline with its proposal. To the extent a Respondent wishes to propose changes to the Draft Form Letter of Credit that, if accepted by IPC, would reduce the Respondent's proposed pricing the proposal should specifically identify in the redline such changes and the associated price reduction.

The proposed changes must be specific and include a detailed explanation and supporting rationale for each. General comments, drafting notes and footnotes such as "parties to discuss" will be disregarded and not negotiated. Exceptions requested by a Respondent will be reviewed as part of IPC's qualitative evaluation of the proposal.

6.13. CLARIFICATION OF PROPOSALS

While evaluating a proposal, IPC may request clarification or additional information from the Respondent about any item in its proposal. Such requests will be sent via the Portal by IPC and the Respondent must provide a response back to IPC via the Portal within five (5) business days, or IPC may deem the Respondent to be non-responsive and either suspend or terminate further evaluation of its proposal. Respondents are encouraged to provide an alternate point of contact to ensure a timely response to clarification requests.

6.14. ADDENDA TO RFP

Any additional responses required from Respondents as a result of an Addendum to this RFP shall become part of each proposal. Respondents must acknowledge receipt of and list all Addenda, where indicated in the Proposal Entry Form.

7. Proposal Evaluation, Negotiation and Approval

7.1. EVALUATION PROCESS

The overall proposal evaluation process will consist of initial screens and subsequent qualitative and quantitative evaluation and ranking processes.

The evaluation process begins with an initial screening to identify and remove from further evaluation proposals that are incomplete or do not comply with the basic requirements of the Solicitation (Threshold Screen). Examples of situations where a proposal may fail the Threshold Screen include, but are not limited to, 1) the proposed Product is not compliant with the Product definitions, 2) a substantial number of data fields in the Proposal Entry Form are incomplete, 3) key Information necessary to complete a comprehensive evaluation has not been uploaded.

Proposals that pass the Threshold Screen will be further screened to remove those that would result in high costs to IPC relative to proposals for the same or similar Product (Initial Cost Screen). The purpose is to reduce the number of proposals to a number that can be subsequently evaluated within the staff and time constraints of the Evaluation Team. The screening will be based on the forecast levelized cost of energy (LCOE) and levelized cost of capacity (LCOC) calculated from the price, energy, capacity, efficiency, degradation, length of term and other information quoted in the Proposal and certain other common assumptions made by IPC.

Proposals that pass the Initial Cost Screen will then enter detailed qualitative and quantitative evaluation processes that are performed in parallel.

For the quantitative evaluation, information entered in the proposal entry form for each of the quantitative factors identified in the form will be entered into a production cost simulation software tool and other costing tools to forecast the capital and operating cost impacts of the proposal to IPC over a future term. The capacity benefit of a proposal will be based on resource-specific (ELCC) values, taking into account the resource location, generation shape, characteristics of the resource and availability. Results from the simulation will be summarized on a net present value basis, then the proposals will be ranked from highest to lowest net benefits.

For the qualitative evaluation, information entered in the proposal entry form for each of the qualitative factors identified in the form will be evaluated by one or more subject matter experts from the Evaluation Team. There are numerous qualitative factors which fall under the general categories of Project Feasibility, Project Capability, Counterparty Profile and Community Stewardship. The evaluator will give a qualitative rating to each response, which will then be scaled to a numeric value, which will then be weighted to result in an overall numeric score for the factor. The score for each factor will them be summed resulting in an overall numeric qualitative score for the proposal. The proposals will then be ranked from highest to lowest qualitative score.

Results of the quantitative and qualitative evaluation processes will then be brought together. The quantitative rankings will be the primary determinant of which proposals are best. However,

the qualitative rankings will be examined and may be used to change the quantitative ranking. For example, if Proposal A has a slightly higher quantitative score than Proposal B, but a significantly lower qualitative score than Proposal B, then proposal B may be re-ranked above proposal A in the quantitative ranking. The highest ranked proposals will then be advanced to shortlisting. During the shortlisting phase, IPC may request shortlist interviews to obtain additional information about each shortlisted proposal, and may perform additional production cost simulation of the shortlisted proposals alone or in combination, to select one or more (or no) proposals for negotiation of an agreement.

7.2. ADDITIONAL RIGHTS

IPC may, in its sole discretion, at any time during the Solicitation:

1. Appoint evaluation committees to review proposals, seek the assistance of outside technical experts and consultants in proposal evaluation, and seek or obtain data from any source that has the potential to improve the understanding and evaluation of the responses to this RFP.
2. Revise and modify, at any time before the Deadline for Proposal Submittal, the factors it will consider in evaluating proposals and to otherwise revise or expand its evaluation methodology.
3. Hold interviews and meetings to conduct discussions and exchange correspondence with either all Respondents or only those with proposals that IPC elects to select for detailed discussions (Initial Shortlisted Proposals) to seek an improved understanding and evaluation of an individual Respondent's proposal.
4. Issue a new RFP.
5. Cancel or withdraw the entire RFP or any part thereof.

7.3. ACCEPTANCE AND REJECTION OF PROPOSALS

IPC is under no obligation to award an agreement after analysis and evaluation of the proposals. IPC reserves the right to reject any and all proposals, to waive minor formalities and irregularities, and to evaluate the proposals to determine which, in IPC's sole judgment, represents the best value for the Products requested.

7.4. AGREEMENT NEGOTIATIONS

In anticipation of an award, there will be a period of negotiations to finalize the agreement(s) between the parties. An agreement, including all terms, conditions, exhibits, and attachments must be executed by both IPC and the successful Respondent in order to create a binding enforceable agreement between IPC and the successful Respondent.

7.5. EXCLUSIVITY

If and when a proposal is selected for the Final Shortlist, from that date through the date of execution by both Parties of an agreement, the Respondent and/or its affiliates shall not execute an agreement

with any other party for the sale of the proposed Product(s) such that the Respondent would no longer be able to timely provide the Products proposed in the proposal.

7.6. PUBLICITY

IPC intends that it and the successful Respondent issue joint public announcements containing mutually-agreed upon content in the form of press releases, case studies, and/or other materials, , upon execution of the agreements. Neither party shall use the name, logo, or any other indicia of the other party in any public statement, press release, other public relations or marketing materials, the identity of the other party, or any underlying information with respect to the agreement(s) at any time without the prior written consent of the other party, which it may withhold in such other party's sole discretion. Prior to making any such permitted use, each party shall provide for the other party's review and approval any publicity materials. Any and all goodwill from use of IPC's name, logo, or indicia will inure to IPC's sole and exclusive benefit.

7.7. COMMISSION APPROVAL

As stated previously in Section 2.3, effectiveness of an agreement will ultimately be subject to Commission approval.

7.8. ENTIRE RFP

This RFP and all Exhibits, Attachments, Questionnaires, Forms, and Addenda within the Portal event are incorporated herein by this reference and represent the final expression of this RFP. Only information supplied by IPC in writing through the Portal, listed herein, or incorporated by this reference made in submittal of this RFP shall be used as the basis for the preparation of responses.

EXHIBIT A – Information for Qualitative Evaluation

Respondents are directed to the Proposal Entry Form located in the Portal for the detailed information that must be uploaded to the Portal by Respondents for purposes of the qualitative evaluation. The required information differs among the product types. Respondents are directed to the Portal to review all of the specific information related to specific product type(s) and reference the level of detail that must be provided for each product type.

EXHIBIT B – Information for Quantitative Evaluation

Respondents are directed to the Proposal Entry Form located in the Portal for the detailed information that must be uploaded to the Portal by Respondents for purposes of the quantitative evaluation. The required information differs among the product types. Respondents are directed to the Portal to review all of the specific information related to specific product type(s) and reference the level of detail that must be provided for each product type.

EXHIBIT C – Information on Preferred Locations

The following diagram summarizes the preferred locations and points of delivery for Products proposed in response to this RFP. This is provided for information only. Respondents are directed to the Portal for the most recent version of this information. In the case of conflict between this information and the information provided in the Portal, the form provided in the Portal shall govern.

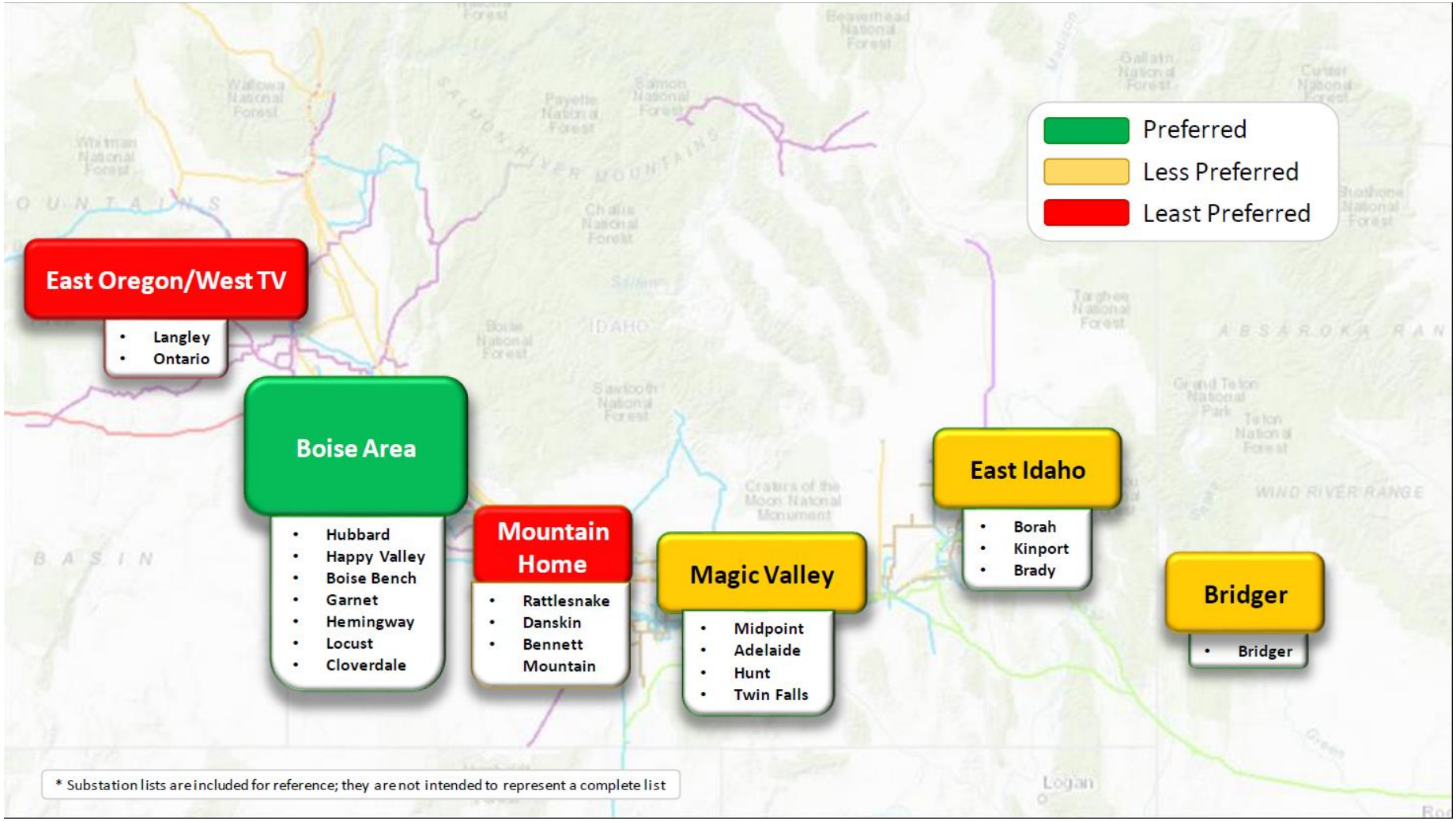

EXHIBIT D – Information on Most Valuable Hours

The following table illustrates the hours during which capacity and energy are most valuable to IPC for a typical day in each month for the years 2024 and 2025. Proposals that can help meet IPC's capacity needs during critical hours while reducing surpluses off-peak will benefit in IPC's analysis. This is provided for information only. Respondents are directed to the Portal for the most recent version of this information. In the case of conflict between this information and the information provided in the Portal, the form provided in the Portal shall govern.

Most Valuable Hours

	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
January																								
February																								
March																								
April																								
May																								
June																								
July																								
August																								
September																								
October																								
November																								
December																								

= Critical Hours: These are the critical need hours for Idaho Power's capacity deficit

= Valuable Hours: These are in addition to the critical hours; IPC's analysis will favor resources that can meet both the critical hours and the valuable hours

EXHIBIT E – Standard Terms and Conditions

Respondents are directed to the Portal for the Standard Terms and Conditions that must be redlined and uploaded to the Portal.

Exhibit F – Power Purchase Agreement

Respondents are directed to the Portal for Power Purchase Agreement that must be redlined and uploaded to the Portal.

Respondents are directed to the Portal for the Standard Terms and Conditions that must be redlined and uploaded to the Portal.

EXHIBIT G – BESS Technical Specifications

Respondents are directed to the Portal for the BESS Technical Specifications that must be met for a BESS project offered for IPC ownership.

EXHIBIT H – Solar Technical Specifications

Respondents are directed to the Portal for the Solar + Storage Technical Specifications that must be met for a Solar + Storage project offered for IPC ownership.

EXHIBIT I – Wind Technical Specifications

Respondents are directed to the Portal for the Wind Technical Specifications that must be met for a Wind + Storage project offered for IPC ownership.

EXHIBIT J – Gas-Fired Convertible to Hydrogen Specifications

Respondents are directed to the Portal for the Gas-fired Convertible to Hydrogen Technical Specifications that must be met for a Gas-fired Convertible to Hydrogen resource offered for IPC ownership.

EXHIBIT K – Mutual Non-Disclosure Agreement

Respondents are directed to the Portal for the draft form Mutual Non-Disclosure Agreement that must be executed prior to discussion of IPC specific cyber security requirements.

EXHIBIT L - Counterparty Financial Questionnaire

Respondents are directed to the Portal for the Counterparty Financial Questionnaire document for which a response must be included in any proposal.

EXHIBIT M – Draft Form Letter of Credit

Respondents are directed to the Portal for the Draft Form Letter of Credit that must be redlined and submitted as part of a proposal

EXHIBIT N – Effective Load Carrying Capability Factors

The following table summarizes effective load carrying capability (ELCC) factors that IPC has forecasted consistent with the 2021 IRP[1] for various resource types[2]. These are provided as indicative information only, and IPC will utilize project-specific data to determine project specific ELCCs as part of the evaluation processes described in this RFP. The ELCC factors will not impact the actual prices that would be paid to a Respondent if and when IPC enters an agreement with the Respondent to purchase a proposed Product. This is provided for information only. Respondents are directed to the Portal for the most recent version of this information. In the case of conflict between this information and the information provided in the Portal, the form provided in the Portal shall govern.

Name	**ELCC**
Solar PV	10.20%
Wind	11.15%
Demand Response	TBD - Program Specific
Storage - 4-Hour Li Battery	87.50%
Geothermal	95.00%
Storage - 8-Hour Li Battery	97.00%
Solar PV + 4-Hour Li Battery (1:1)	97.00%
Natural Gas - Reciprocating Gas Engine	95.00%
Natural Gas - Combined Cycle Combustion Turbine (CCCT)	95.00%
Small Modular Nuclear Reactor	100.00%
Storage - Pumped Hydro (assumed 12-hr+ duration)	100.00%
Natural Gas - Simple Cycle Combustion Turbine (SCCT)	95.00%
Natural Gas - Aeroderivative	95.00%

[1] Idaho Power continues to analyze near-term resource specific ELCC's for use in the RFP evaluation and may vary from the table which are provided as reference only.

[2] Wind+Storage ELCC - Due to the variability of wind projects based on location, hub height, turbine diameter, etc., Wind+Storage projects will be modeled based on project proposal specifics to determine the applicable ELCC.

EXHIBIT O – Bid Fee Submittal

Respondents are directed to the Portal for instructions specific to the submittal of the Evaluation Fee to submitted as part of a proposal

End of Document

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-23-20

IDAHO POWER COMPANY

HACKETT, DI
TESTIMONY

EXHIBIT NO. 3

SEE EXCEL SPREADSHEET

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-23-20

IDAHO POWER COMPANY

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EXHIBIT NO. 4

2022 REQUEST FOR PROPOSALS - KEY PRODUCT SPECIFICATIONS
Addendum Product Table: April 12, 2022

Table 2 – Renewable Energy Products

Product	1	2	3	4	5	6	7	8	9
Resource Type	Solar PV			Wind			Geothermal		
Product Type	Power Purchase Agreement (PPA)		Asset Purchase	PPA		Asset Purchase	PPA		Asset Purchase
Ownership Structure	Respondent		IPC	Respondent		IPC	Respondent		IPC
Term	20-34, 35 years, IPC Asset Purchase	35 years	n/a	20-34, 35 years, IPC Asset Purchase	35 years	n/a	20-34, 35 years, IPC Asset Purchase	35 years	n/a
First Delivery	On or before 6/1/2024 (for 85 MW 2024 deficit), or 6/1/2025 (for 115 MW 2025 deficit)								
Resource Status	Existing or proposed new in late-stage development with pending or executed Large Generation Interconnection Application (LGIA)/ Small Generation Interconnection Application (SGIA)								
Design Life	35 years minimum								
Capacity	Minimum 100 MW ac nameplate or minimum 40 MW ac capacity after application of effective load carrying capability (ELCC) factor[1]								
Interconnection	IPC Transmission System or transmission system of adjacent host utility								
Delivery Point	Within the boundary of the IPC Balancing Authority (BA) Area, or outside with all necessary transmission rights to the BA								
Storage Duration	n/a								
Storage Cycles	n/a								
Other	A Proposal for a 20-34 year PPA must include pricing for each of the alternatives shown under Term section of this Table 2. A resource of less than the specified capacity minimums that offers unique benefits may be proposed								

[1] Refer to Exhibit N for ELCC factors

Table 3 – Storage Products

Product	10	10.a	11	12	13	14	15	16	17	18	19
Resource Type	Battery Energy Storage (BESS)		Solar + BESS			Wind + BESS			Long Duration Storage		
Product Type	Asset Purchase	Battery Storage Agreement	Asset Purchase	Solar PPA 20-34 Years + BESS Asset Purchase	Solar PPA 35 Years + BESS Asset Purchase	Asset Purchase	Wind PPA 20-34 years + BESS Asset Purchase	Wind PPA 35 years + BESS Asset Purchase	PPA		Asset Purchase
Ownership Structure	IPC	Respondent	IPC	Solar: Respondent BESS: IPC	Solar: Respondent BESS: IPC	IPC	Wind: Respondent Storage: IPC	Wind: Respondent Storage: IPC	Respondent		IPC
Term	n/a	20 years	n/a	20-34 years, 35 years, IPC Asset Purchase	35 years	n/a	20-34 years, 35 years, IPC Asset Purchase	35 years	20-34 years, 35 years, IPC Asset Purchase	35 years	n/a
First Delivery	On or before 6/1/2024 for Product 10.a		On or before 6/1/2024 (for 85 MW 2024 deficit), or 6/1/2025 (for 115 MW 2025 deficit)								
Resource Status	Existing or proposed new in late-stage development with pending or executed LGIA/SGIA										
Design Life	20 years	20 years	35 years								
Capacity	Minimum 40 MW ac capacity after application of ELCC factor[1]										
Interconnection	IPC Transmission System or transmission system of adjacent host utility										
Delivery Point	Within the boundary of the IPC Balancing Authority (BA) Area, or outside with all necessary transmission rights to the BA										
Storage Duration	4+ hours								6+ hours		
Storage Cycles	1+ cycles per day up to 365 cycles per year										
Other	A proposal for an Asset Purchase may also include pricing for the alternative Battery Storage Agreement.		A proposal for a 20-34 year PPA must include pricing for each of the alternatives show under the Term section of this Table 3. Storage combined with a renewable must be chargeable from the grid by IPC after expiration of the tax benefit recapture period, if applicable. A solar or wind resource of less than the specified capacity minimums that offers unique benefits may be proposed.								

[1] Refer to Exhibit N for ELCC factors

Table 4 – Other Products

Product	20	21	22	23
Resource Type	Gas-fired Convertible to Hydrogen			Demand Response
Product Type	PPA		Asset Purchase	Program
Ownership Structure	Respondent		IPC	Respondent
Term	20-34 years, 35 years, IPC Asset Purchase	35 years	n/a	5 year maximum
First Delivery	On or before 6/1/2024 (for 85 MW 2024 deficit), or 6/1/2025 (for 115 MW 2025 deficit)			
Resource Status	Existing or proposed new in late-stage development with pending or executed LGIA/SGIA			n/a
Design Life	50 years			n/a
Capacity	Minimum 40 MW ac capacity after application of ELCC factor			Minimum 5 MW ac delivered after applications of ELCC factor
Interconnection	IPC Transmission System or Transmission System of adjacent host utility			n/a
Delivery Point	Within the boundary of the IPC Balancing Authority (BA) Area, or outside with all necessary transmission rights to the BA			n/a
Storage Duration	n/a			
Storage Cycles	n/a			
Other	A Proposal for a 20-34 year PPA must include pricing for each of the alternatives shown under Term section of this Table 4. Conversion must be achievable within 10 years and costs must be accounted for in submittal.			Must meet cost effectiveness test based on utility cost test (UCT). Capacity must be dispatchable based on day ahead notification minimum with preference for shorter notice dispatch (e.g. 10 minute to 1 hour ahead) New programs must be differentiated from existing programs and exclude existing IPC demand response participants (not overlap) or provide details of how the new program would complement existing IPC programs. New programs must demonstrate how marketing and customer participation will not be detrimental or cause undue confusion to IPC customers. Respondents must have a demonstrated record of program success.

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-23-20

IDAHO POWER COMPANY

HACKETT, DI
TESTIMONY

EXHIBIT NO. 5

CONFIDENTIAL ATTACHMENT

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-23-20

IDAHO POWER COMPANY

HACKETT, DI
TESTIMONY

EXHIBIT NO. 6

CONFIDENTIAL ATTACHMENT